

# TO WHAT DEGREE?

## Understanding what UK businesses look for in graduates

August 2024



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# Foreword, Rt. Hon Professor the Lord Blunkett

The UK is and will continue to be a world-leading knowledge economy. Our young people have considerable talent, and our education system has the power to shape that potential. Despite this, skills shortages across a whole range of areas persist. As it stands, education and skills policy is in need of strategic direction.

That is why, in this new era of Labour government, my party has made skills reform a clear priority. Skills England is to be established: ensuring a more joined-up skills policy, addressing national and local skills needs by working with local authorities, metro mayors and local further and higher education institutions.

Employers' needs are of course part of that equation, and ensuring our higher education institutions are more closely meeting their skills needs will be a focus going forward.

This report by CBI Economics is a timely one, as it delves into the critical factors that influence the decisions employers make during the graduate recruitment process.

In doing so, it provides valuable insights into the evolving priorities of employers. The findings underline how employers value the importance of practical skills and relevant work experience that graduates may undertake as part of their course, and how, in the eyes of employers, that gives them the edge in the contemporary job market.

Contrary to popular narrative, the findings also indicate employers do not value the perceived prestige of certain institutions ahead of other factors, such as practical experience in the workplace as part of the degree, and the type of course studied. This has significant implications for graduates, educational institutions, and employers alike.

In light of its findings, the report also has some important recommendations for universities, and for those who provide careers information and guidance in our schools, so they can better prepare students for the world of work.

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.



**Rt Hon Professor the Lord Blunkett**  
Former Education and Employment Secretary  
Chair of the Advisory Board to FutureLearn



## Foreword, Professor Jane Harrington

In recent years, the utility of universities has been called into question in some quarters.

Yet we know universities are invaluable to our economy: to give one example, they help provide the pipeline to our creative industries worth £108 billion to the UK, whilst international students added £21.7 billion to UK exports in 2021 alone.

In particular, the universities that comprise University Alliance are ‘anchor institutions’ for their local areas: equipping the local and regional workforce, facilitating the development of spinout companies and student start-ups and fostering university-business collaborations.

At my University, the University of Greenwich, we have a campus in Medway, Kent. There we are working with organisations, the Kent and Medway enterprise partnership, local NHS trusts and SMEs to provide the healthcare workers, scientists and engineers needed, as well as actively supporting the small business sector. Across our three campuses we are committed to training the local workforce, for example: healthcare professionals, teachers, engineers, architects, and computer scientists.

Nonetheless, there is always more to be done to engage businesses and ensure graduates are fully equipped with the skills they will need, and to feel universities are providing them with the return on investment that they rightly expect.

This is one of the driving reasons why University Alliance commissioned CBI Economics with this report: we sought to establish the employer’s perspective on the employability and skills of graduates in 2024, and by extension the universities that are educating those graduates.

In order to best inform policymakers, young people and their parents, we were keen to assess what employers value when hiring graduate applicants: whether they most value the graduate’s skills and experience, the course they studied, or the institution they studied at.

Likewise, we wanted to find out the extent to which employers value graduates with a range of experience of the workplace or industry placements, and to what extent they value those who have graduated from different types of universities.

Happily for us, this report indicates professional and technical universities are the most likely group of universities to 'get' the need to engage with business. Our universities are increasingly engaging with businesses to ensure graduates are work-ready, whether by delivering live briefs (setting coursework and projects for students), by working to co-design courses and the curriculum, or delivering placement opportunities.

That said, the results also indicate there is clearly an engagement gap: more can be done to foster beneficial partnerships between universities and businesses.

University Alliance research has shown that almost 70% of university applicants feel anxious or very anxious about making the 'right' university and course choice for their future careers, and that they are not sure about how to determine what that is. I hope the data in this report goes some way towards helping them make informed decisions, but also to reassure them that employers take a holistic view of graduate applicants and that their career won't be made or broken based on university choice or grades.

Alliance universities like my own want our students to arrive at university feeling confident and happy to be there, we want to ensure that our graduates leave us with skills they can use throughout their career, and we want to work with employers to make sure they have access to the workforce they need to keep thriving and supporting our local economies. I hope the insights contained within this report will help us to do just that.



**Professor Jane Harrington**

Chair of University Alliance

Vice-Chancellor of the University of Greenwich



# Executive summary

*Commissioned by University Alliance, CBI Economics carried out a survey of 252 UK employers across all business sectors, sizes and regions. This research sought to better understand employers' perceptions of UK graduates and the institutions they attended, gauging the importance employers place on different skills, qualifications and experiences. It also delved into employers' collaboration and engagement with academic institutions.*

## 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).

**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%.

**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. When assessing the importance of graduate characteristics individually, **77% of employers valued work and project experience**, making it the second-most popular factor in net balance terms after the transferable skills developed at university. 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.

#### **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.** This 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.

Whilst this research primarily aimed to inform graduates, prospective students and their parents, it also generated some recommendations for the other stakeholders involved, which are captured below.



## 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.





# 1 Introduction

Graduates are facing an ever more competitive recruitment environment in which to enter the working world. The Institute of Student Employers' most recent Student Recruitment survey reported that despite the demand for graduate labour and vacancies growing 6% between 2022 and 2023, competition for these jobs increased significantly in this period. Graduate employers received on average 86 applications per vacancy – up 23% from 2022.<sup>1</sup>

This intense competition has transformed graduate recruitment, as employers seek not only academic qualifications but a range of skills, attributes and experience that extends far beyond the classroom. In addition to technical competencies gained from degree study, recent research has highlighted employers are increasingly looking for proficiency in core skills like communication, problem-solving and teamwork.<sup>2</sup> Employers also want graduates to show a deep commitment to and interest in the company and its values,<sup>3</sup> whilst internships, vocational experience and work-based learning have become paramount to graduate employability in recent years.<sup>4</sup>

As the requirements and expectations in graduate recruitment grow, information barriers and a lack of awareness could make this process even more difficult for students and graduates. Fundamentally, if graduates lack clarity around employer demands and are unaware of the criteria that affect hiring decisions, this restricts both their employment prospects and the quality of applicants that employers have to choose from. Limited direct engagement between some universities and employers further contributes to this lack of understanding, reducing the alignment between those developing and employing the UK's graduates.

Commissioned by University Alliance, this CBI Economics research therefore aims to shed light on business perceptions in graduate recruitment, breaking down the information barriers involved in the process. This report presents the findings of a survey conducted among 252 UK businesses across various regions, sectors, and sizes. The survey explored employers' perceptions around graduates and the institutions they attended, gauging the importance employers place on different skills, qualifications and experiences. Employers' engagement with academic institutions was also assessed, and additional information around the survey sample and recruitment practices is detailed in the appendix.

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<sup>1</sup> Institute of Student Employers (2023) Student Recruitment Survey 2023

<sup>2</sup> Kingston University, YouGov. (2023) Future Skills, The Kingston Approach

<sup>3</sup> Williams et al. (2019) A personal construct approach to employability: comparing stakeholders' implicit theories

<sup>4</sup> UCAS (2024) Is work experience important?

## 2 What do employers value in graduates?

Gaining a deeper understanding of the factors that employers value in graduates was one of the primary focuses of CBI Economics' recent business survey. Whilst graduates' university education and academic knowledge was undoubtedly valued by most employers, there were two other key factors that they highlighted in particular:

1. Employers highly valued **the wider, transferable skills that graduates gained during their time at university**, particularly **interpersonal and communication skills**;
2. **Work and industry experience is an asset to graduates**, and employers believed it resulted in **improved performance throughout recruitment**.

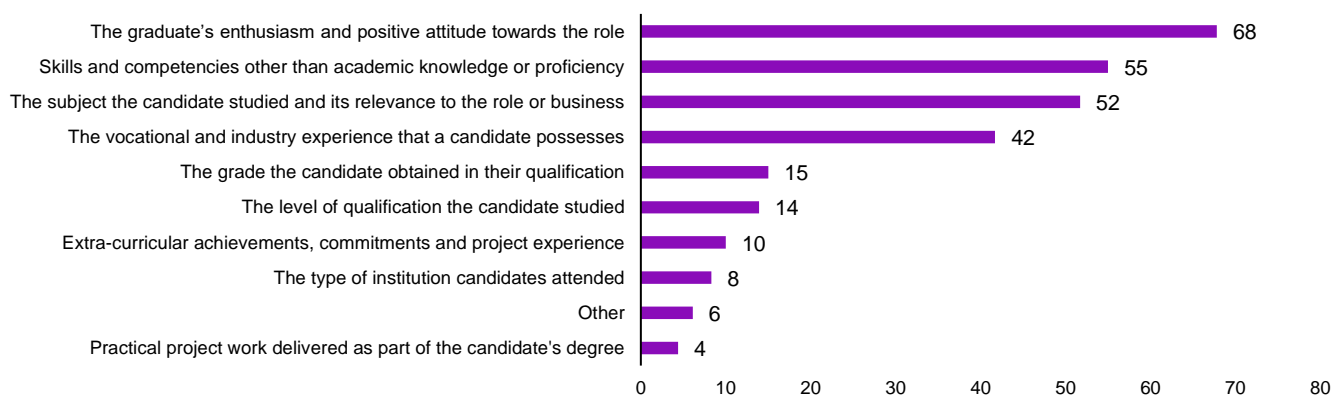
### 2.1 What are the most important factors overall in graduate recruitment?

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

The value of university education and graduates to employers was highly evident in the fact that 70% of businesses surveyed were involved in recruiting graduates. When considering the key factors at the recruitment stage, 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%). This suggests that employers value a mix of directly academic and wider, transferrable attributes, weighted more towards the latter.

These four characteristics were more significant than the next most important attribute: the grade obtained by the graduate (15%). The least important factors were specific projects completed during the degree (4%) and which type of university the graduate had studied at (8%).

**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)

Graduate recruitment preferences differed across employers of different sectors and sizes. Likely due to the more technical and vocational nature of roles in these businesses, 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%. Conversely, the business services sector was 1.7 times more likely to assign importance to an applicant's enthusiasm and attitude. Larger businesses were also 30% more likely than SMEs to favour graduates' skills and competencies other than academic knowledge. These wider skills and competencies were 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.

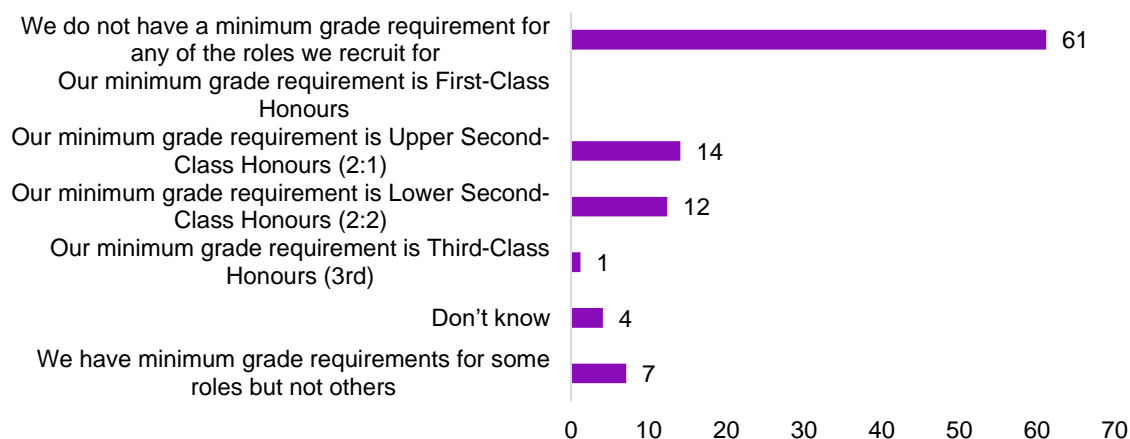
**The type of institution that graduates attended was highly unimportant to employers, who also did not place much value on grades or degree level at application stage.**

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 3). When asked to rate the importance of graduate factors individually, the type of institution graduates attended produced a significantly unimportant net balance of -30%. Of the employers who believed the graduate's institution was unimportant, 61% deemed it 'very unimportant', a resounding confirmation that the type of university graduates attend sits towards the bottom of employers' priorities. This factor was valued even less in the production sector and large businesses, producing net balances of -38% and -48% respectively.

Degree level (postgraduate or undergraduate) and grade achieved were not considered important at application stage. Employers placed approximately three times less importance on the grade or level of degree that a graduate attained than they did on enthusiasm and attitude, wider skills and competencies and vocational experience. Despite this, larger businesses did tend to value grade and degree level slightly more. These employers valued

graduates' grade and level of qualification approximately twice as much as SMEs. However, these factors still scored poorly in this sub-sample and were less than half as popular as enthusiasm and attitude, wider skills and competencies and graduates' degree subject.

**Figure 2. Do employers implement minimum grade requirements in graduate recruitment?** (% of responding employers)



Source: CBI Economics survey (April 2024)

Reflecting the lack of importance around grades that graduates obtain, the majority of employers did not implement grade requirements at all in their recruitment processes. Of employers with minimum grade requirements, approximately half (51%) set them at Upper Second-Class Honours (2:1), a further 45% at Lower Second-Class Honours (2:2) and the remaining minority required Third-Class Honours (3<sup>rd</sup>). Grade requirements were marginally more popular amongst production sector businesses than their business services counterparts, and larger businesses were more than twice as likely as SMEs to impose across-the-board grade restrictions. Interestingly, the majority of large businesses with grade requirements placed this at the 2:2 level, while SMEs who implemented requirements tended to do so more at the 2:1 level.



### Key Takeaways:

- Wider, transferable skills, such as graduates' attitude and enthusiasm towards the role and skills and competencies unrelated to academic knowledge, emerged as by far the most important factors to employers in recruitment
- The type of institution that graduates attend was by far the least important recruitment factor to employers, selected by just 8%. Of employers who perceived it as unimportant, 61% assigned it to the 'very unimportant' category.
- Academic outcome factors such as the grade and level of degree qualification that graduates obtain were also given less weight in recruitment. Employers were around 3 times less likely to deem this important than the previously mentioned transferable skills.

## 2.2 What factors are valued during the different stage of the graduate recruitment process?

**Transferable skills and practical experience are reported to enhance a graduate's likelihood of securing a job in the assessment and interview stages.**

To further our understanding of employer perceptions, the survey delved into the importance of graduate factors individually at the assessment and interview stage, facilitating a broader range of responses.

Transferable skills again came out on top with employers, as graduates' skills and competencies unrelated to academic knowledge and relevant work or project experience proved crucial to employers in interviews and securing a job offer. These factors generated impressive net balance scores of +90% and +77% respectively. Skills and competencies unrelated to academic knowledge scored exceptionally well when examining the data in more detail, as 48% of employers that assigned importance to it deemed it 'very important'. The subject or course graduates studied was the next most valued with a net balance of +63%, confirming again the importance of a relevant university education as a key requirement for a lot of employers.

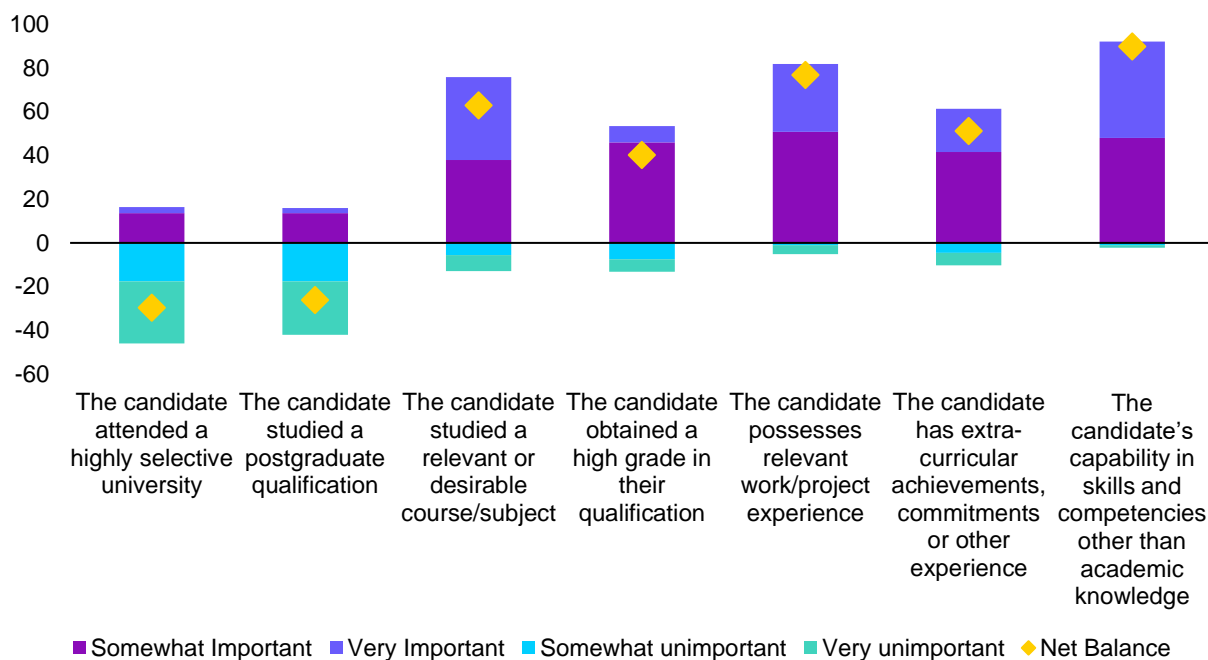
This question asked employers to rate the desirability of individual graduate attributes, allowing for a more in-depth examination of what they felt was most important. Within this context, graduates' extra-curricular achievements were rated highly with a net balance of 51%, indicating the value of an alternative factor that graduates can develop while at university.

In parallel with this, the importance of academic achievement also increased notably when employers were asked about it in isolation. Graduates obtaining high grades generated a net balance of +40% to employers. However, this is still far weaker than the previously



mentioned factors, whilst 85% of employers who perceived grades as important assigned it only to the 'somewhat important' category.

**Figure 3. How do employers perceive graduate factors individually at the assessment and interview stage? (% of responding employers)**



Source: CBI Economics survey (April 2024)



Employer perceptions were largely similar across the board when asked the same question about the earlier application and screening stage. More practical aspects of skillsets such as work experience and extra-curricular achievements are more important to employers in the latter stages of recruitment, their net balances falling by approximately 9% in the application stage. Academic outcomes and institution type are considered to be slightly more important in CVs and applications. The importance of highly selective institutions and qualification level grew marginally in this stage but remained unimportant on balance.

### Key Takeaways:

- Wider, transferable skills came out on top again when employers were asked about different stages of the recruitment process in more detail.
- Skills and competencies unrelated to academic knowledge and relevant work/project experience emerged as the most important factors, both in the initial application stage and later on at assessment or interview.
- When exploring graduate attributes individually in more detail, extra-curricular achievements and grades achieved were valued by employers in the recruitment process. However, the majority of employers valuing grades obtained still only considered it 'somewhat' rather than 'very' important.

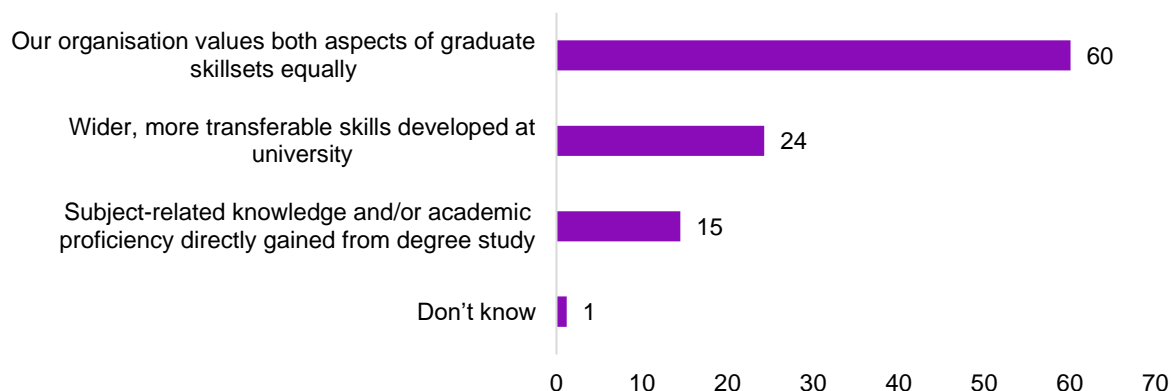
## 2.3 Which graduate skillsets are most important to employers?

**Employers generally said they valued transferable and subject-specific skillsets in graduates equally, with core skills like communication and problem-solving skills proving invaluable to employers.**

When asking employers about graduate skillsets more broadly, both the transferable and academic skills that they gain from university were viewed in a balanced way. 60% of employers assigned equal importance to both direct subject-related knowledge and academic proficiency, along with the wider transferable skills developed at university. Not all employers shared this balanced perspective of graduate skillsets, however. Of the 39% that didn't, they were 1.6 times more likely to prefer wider, more transferable skills over direct subject-related knowledge and academic proficiency. Delving into different employer sectors and sizes, larger businesses were almost 1.5 times as likely to favour balanced skillsets, whilst the preferences of SMEs were far more polarised. The business services sector assigned notably more value to more transferable skills than production businesses.

Within transferable and so-called "soft" skills, a follow-up question uncovered the specific ones that employers valued most. Interpersonal and communication skills proved the most important, followed by personal organisation, team-working and problem-solving.

**Figure 4: How do employers value different aspects of graduate skillsets?**  
(% of responding employers)



Source: CBI Economics survey (April 2024)

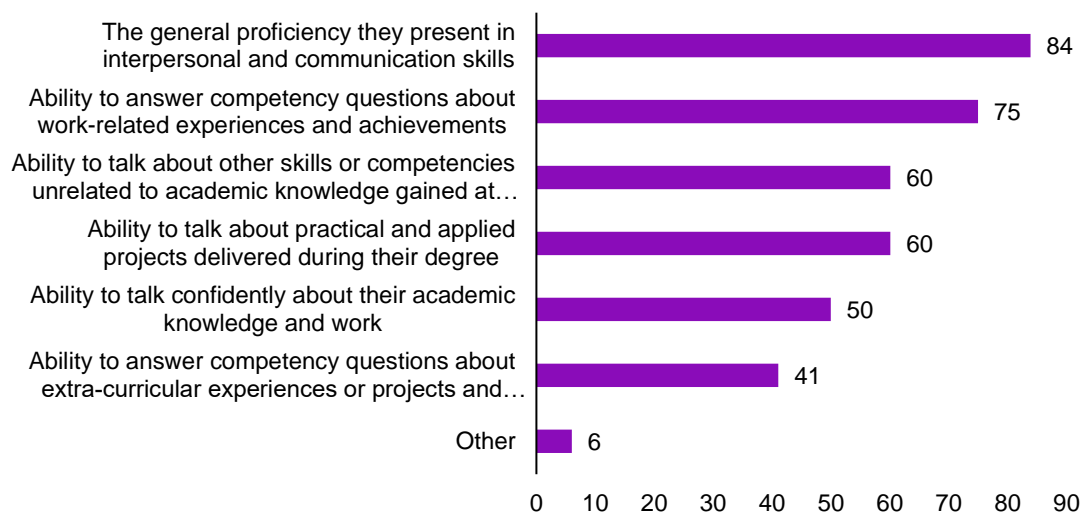
**Asking employers about the interview process more specifically further reiterated the value of interpersonal and communication skills.**

Interpersonal and communication skills emerged further as invaluable assets for graduates to develop during university, particularly for the interview process. Proficiency in communication and interpersonal skills represented the most important factor in determining graduates' success at interview, selected by over four-fifths (84%) of employers, as this question touched on a recurring theme of transferable skillsets being most highly valued in graduates. The majority (60%) of employers believed skills and competencies unrelated to academic experience were most likely to determine graduates' success at interview. Approximately 1.2 times more large businesses assigned importance to this factor than their SME counterparts, but large businesses tended to take a more balanced approach to graduate attributes, favouring a wider range than their SME counterparts.



**Figure 5. What aspects of skills and experience are most likely to determine success in the recruitment process, particularly at interview stage?**

(% of responding employers)



Source: CBI Economics survey (April 2024)

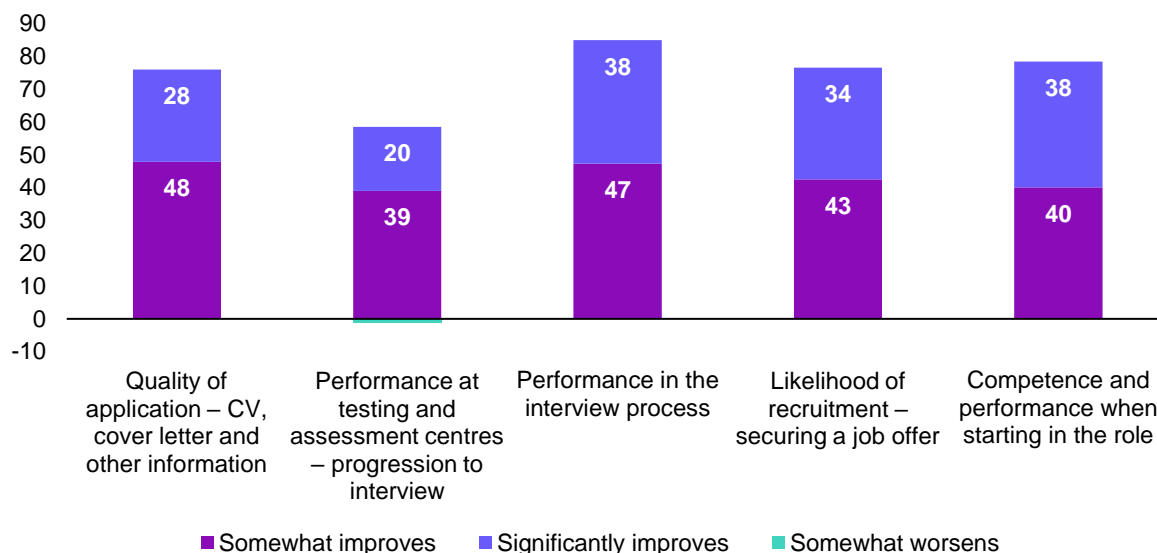
Graduates' ability to talk about their degree-related projects and experience at interview is an important success factor, but employers preferred their ability to answer competency questions around work-related experiences, at three-fifths (60%) versus three-quarters (75%) respectively. Exactly half (50%) of employers also valued graduates' ability to demonstrate their academic knowledge and work at interview. Students should therefore by no means neglect highlighting their academic knowledge and projects to employers, but should also be sure to engage with opportunities to cultivate their transferable skills and experience at the same time.

### **Graduates whose degrees include some vocational elements may experience more success throughout the application process.**

Given the significant benefits of vocational experience reported by employers, the survey then delved into this factor in more detail, and its impact on performance throughout the recruitment process. Vocational experience proved crucial in improving graduates' performance across all stages of recruitment. Employers particularly valued this at interview stage, as more than five-in-six (85%) believed vocational experience enhanced performance, and almost half of this group (45%) had experienced a 'significant improvement'. This perspective was even stronger in the business services sector in which 89% of employers believed it improved interview performance, compared to 82% of their production sector counterparts. Large businesses were also slightly more positive about the impacts of vocational experience at interview than SMEs.

**Figure 6. How does vocational experience influence graduates' performance across different stages of the recruitment process?**

(% of responding businesses)



Source: CBI Economics survey (April 2024)

Furthermore, over three-quarters of employers thought vocational experience improved graduates' quality of application, likelihood of recruitment and competence when starting the role (76%, 77% and 78% respectively). Whilst large businesses favoured vocational experience at interview, SMEs were 15% more likely to report that it improved graduates' applications and CVs. Testing and assessment centre performance was the area where vocational experience was least likely to be seen as improving performance, but almost three-fifths (58%) of employers still felt it improved performance. Graduates whose degrees involved vocational elements could therefore experience greater success throughout the recruitment process, particularly as this experience is inherently linked with developing wider, transferable skillsets that have already emerged as important in this survey.

### Key Takeaways:

- Although the majority (60%) of employers valued both wider, transferable skillsets and subject-related knowledge equally, the remainder that didn't were 1.6 times more likely to prefer wider, transferable skills.
- Within wider, transferable skills, communication and interpersonal skills emerged as invaluable assets to employers. They were the most important factor in determining graduates' success at interview, selected by 84% of employers.
- Vocational experience proved crucial in improving graduates' performance in all stages of the recruitment process, particularly at interview and application stage, along with competency when actually starting the role.



## 3 The role of universities in creating an industry-ready workforce

The second theme of this business survey explored the interaction between employers and universities in detail. By questioning employers' perceptions of different higher education institutions, their engagement with them and offer of work opportunities, the results revealed three overarching conclusions:

1. When assessing graduate applications, employers placed **more importance on the relevance of a university's specialism rather than its location and proximity**, whilst also **favouring professional and technical universities**.
2. When promoting roles, **employers were more likely to advertise job opportunities at universities with relevant specialisms than those local to them**, but employers appeared to **lack engagement in other collaboration opportunities**;
3. Ultimately, employers believed universities could do more to prepare graduates, **further developing so-called "soft", transferable skills and vocational experience**.

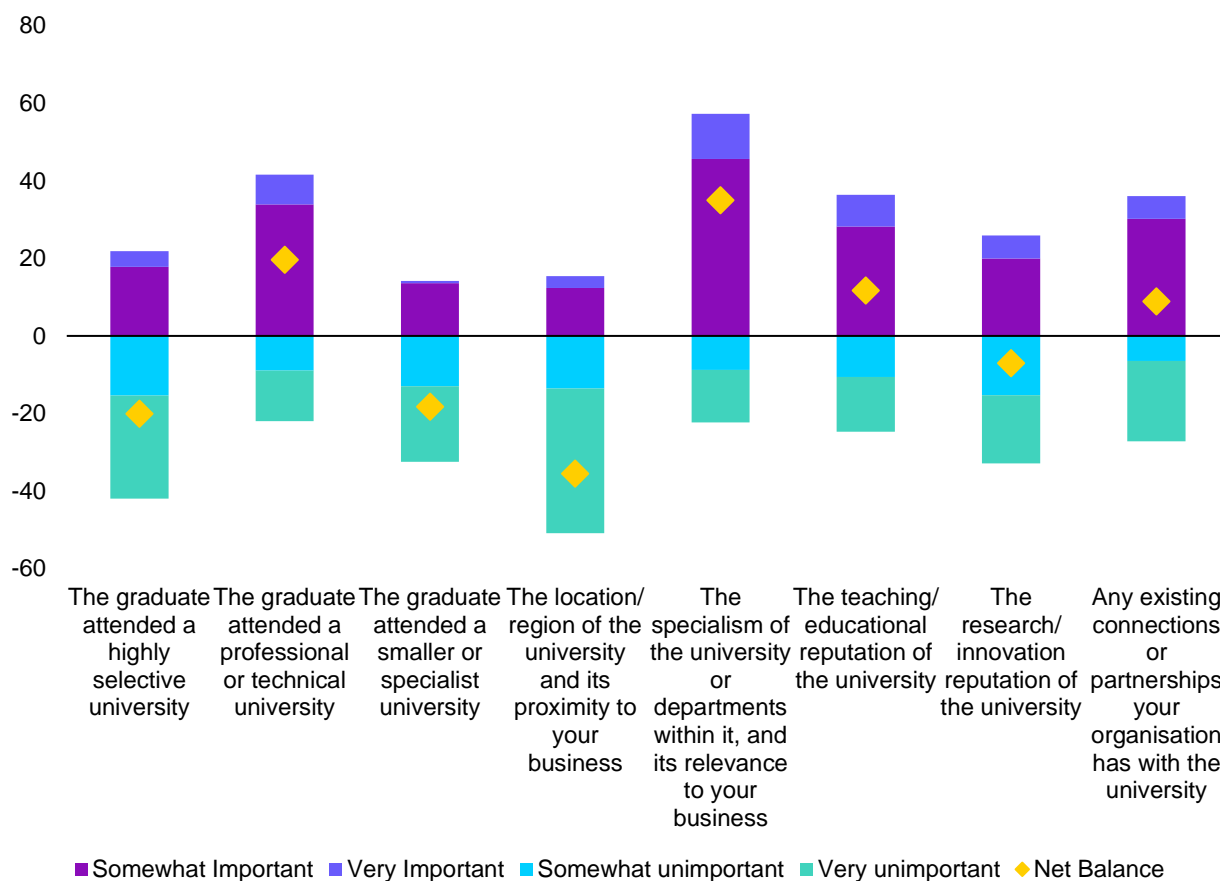
### 3.1 What are employers' perceptions of different types of universities?

**Employers heavily favoured universities with specialisms relevant to their business over those in their local area or a particular university type.**

When delving into specific types of universities, and how they impacted employers' perceptions of graduates, our survey revealed that employers have more nuanced preferences than graduates may expect. Figure 7 presents these university preferences in detail. Whilst the specialisms of universities and relevance of their departments proved the most important factor in driving perceptions of graduates throughout recruitment, digging deeper into the data slightly tempers this conclusion. Despite producing the strongest net balance of +35%, 80% of employers that assigned importance to university specialisms and relevance considered it 'somewhat' rather than 'very important'. University specialism was significantly more important to production businesses than the business services sector, whilst employers running dedicated graduate schemes valued this less than those who recruited on a more ad-hoc basis.

**Figure 7. How do employers perceive the importance of different university factors throughout the recruitment process?**

(% of responding employers)



Source: CBI Economics survey (April 2024)

In assessing graduates’ higher education institutions, the specialism and relevance of their universities therefore came out on top over both location and type. Locality and proximity of universities emerged as by far the least valued factor to employers, producing a low net balance of -35%, as 73% of those deeming it unimportant assigned it to the ‘very unimportant’ category. Although employers did perceive teaching reputation slightly important overall, both of these reputational factors paled in comparison to university specialism and were considered ‘very unimportant’ by more than half of employers who assigned a lack of importance to them. Overall, these findings could potentially reflect recruitment approaches that are becoming increasingly specialised and targeted, along with increased labour mobility and remote working in recent years.

**Employers significantly favoured professional and technical universities over other university types, potentially reflecting wider themes in their preferences.**

In terms of type of institution graduates attended, Figure 7 illustrates that professional and technical universities proved substantially more attractive to employers than both the highly

selective or smaller and specialist categories. Significant differences in net balance scores place professional and technical universities on a considerably better footing, as employers were almost twice as likely to consider them important compared to highly selective ones, at 22% vs 42%. Whilst perspectives of highly selective institutions were consistent across business size, SMEs valued graduates from professional and technical universities more than large businesses, producing a net balance twice as strong (22% vs 11%). These preferences diverged even more by sector, as production sector employers generated a net balance almost three times stronger than their business services counterparts (42% vs 15%). Looking at employment practices, businesses that ran dedicated graduate schemes placed less importance on all types of institution than those that recruited graduates ad-hoc, as the former even considered professional and technical universities unimportant on balance.

These findings also perhaps reflect the importance of vocational experience to graduate employers, or their closer engagement with professional and technical universities. The importance assigned to professional and technical universities wasn't as emphatic as the net balance score may imply on first glance, with the 'somewhat important' category more than four times more prevalent than the 'very important' category (34% versus 8%). Additionally, manufacturing employers were heavily represented in the survey sample, and this sector tends to favour professional and technical universities and the skillsets they provide more than the general business population. Nonetheless, where a preference for a certain type of university did exist, the net balance was in favour of professional and technical universities across all sectors.

### **Employers' preferences around type of university were reflected less in graduates' actual performance during the recruitment process and work itself.**

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.

Of the text responses from employers that did not report this general 'No' sentiment, some highlighted that other non-university factors were more important in recruitment.

*"I measure eligibility less on how selective a university is but how strong a reputation in the field a department has."*

**Construction, East of England**

*"Other factors, such as attitude and behaviours, are usually more important in making a final selection than which institution the graduate attended."*

**Manufacturing, Yorkshire and the Humber**

Other employers reported that graduates from professional and technical universities did perform better in recruitment.

*“Candidates from universities where practical or hands-on work forms a significant part of the curriculum perform better than those with mainly theoretical (book learning) experience.”*

**Information and communication, Scotland**

*“Students from vocational universities fit into their roles quickly, while students from the more selective and academic (redbrick) universities have little idea what they need to do on day 1, but will be the people with the ideas and analysis in the future.”*

**Manufacturing, South East**

Some other responses stated highly selective university graduates did perform better, but this mostly referred to the recruitment process itself.

*“Highly selective universities tend to have graduates that are better prepared for the assessment process.”*

**Professional, scientific and technical activities, South East**

*“Graduates from highly selective institutions tend to be more confident and articulate in interview.”*

**Accommodation and food service activity, London**

## Key Takeaways:

- Employers tended to significantly favour a university's specialism and relevance to their business over its location or proximity.
- When assessing applications, employers placed far more importance on graduates who attended professional and technical universities, as opposed to other university types.
- In terms of graduates' actual performance in the recruitment process, 65% of employers reported that the type of institution that graduates attended didn't make a significant difference.
- There were a range of open text responses that also highlighted the importance of other skills and competencies, and nuances between universities of different types.





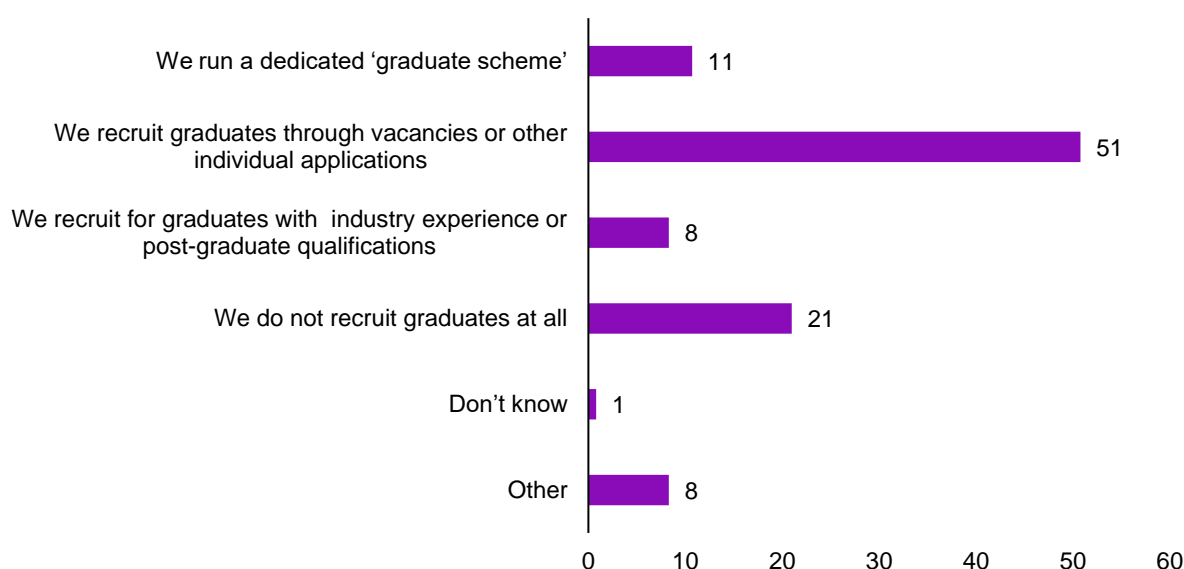
## 3.2 How do employers interact with universities in recruitment?

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

When initially asking employers the fundamental question around graduate recruitment, the large majority (70%) of survey respondents were engaged in hiring graduates, but most do so on an ad-hoc basis. 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 – and 11% of all survey respondents – operate them. Employers who did not recruit graduates at all were subsequently excluded from the survey.

**Figure 8. How would employers describe their involvement in the graduate recruitment process?**

(% of responding employers)



Source: CBI Economics survey (April 2024)

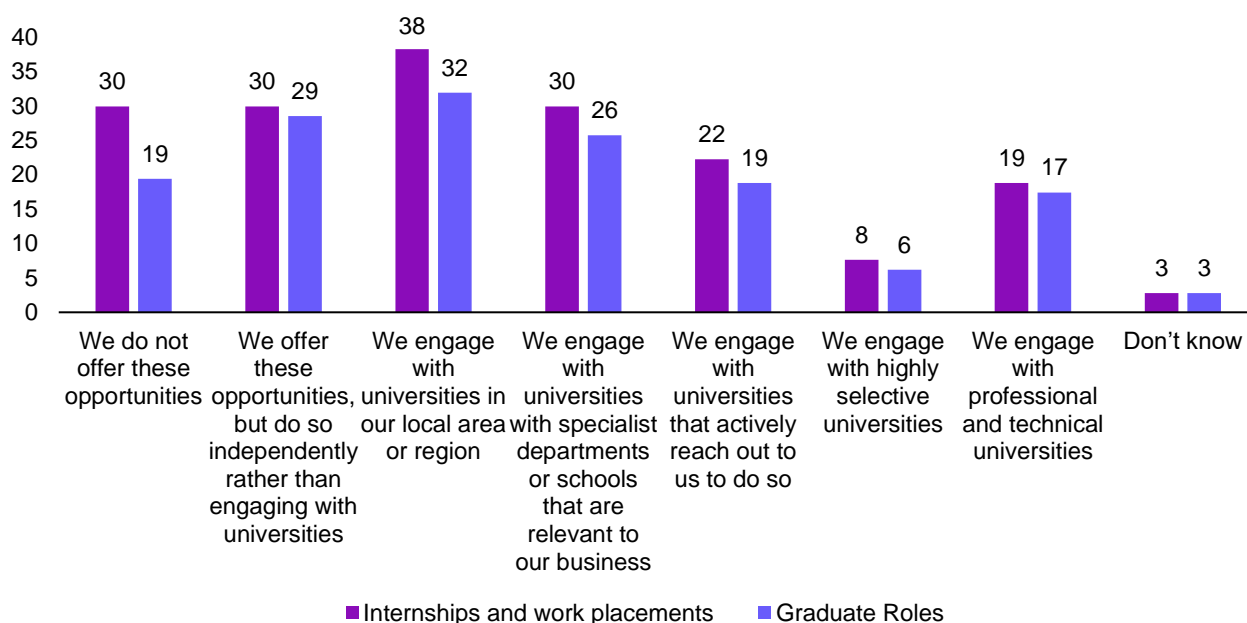
The prevalence of graduate schemes varied significantly in employers of different sizes and sectors. Large businesses were almost nine times more likely than their SME counterparts to run dedicated graduate schemes, at 44% versus 5% respectively, although SMEs offset some of this difference through increased likelihood of recruiting graduates through individual vacancies or those with additional experience. Nonetheless, SMEs were four times as likely than large businesses to have no involvement in graduate recruitment (24% vs 6% respectively). Differences were less pronounced by sector, but the proportion of business services employers with graduate schemes still exceeded the production sector by a factor

of 1.5. Within business services, finance and insurance firms were almost twice as likely to offer graduate schemes as information and communication employers.

**Employers were more concerned with university location than specialism when promoting opportunities, although a good proportion advertised roles independently.**

Employers were significantly more likely to offer graduate schemes than internships, but they engaged slightly more with universities in promoting the latter. Interestingly, whilst our earlier findings concluded that employers were far more concerned with a university’s specialism than location when assessing graduate applications, this trend was reversed when promoting opportunities. Engaging with local and regional universities to promote internships was 27% more popular than engaging with universities with relevant specialisms (38% vs 30%), with an almost identical trend for graduate roles. For both types of opportunity, production businesses were more likely to promote them with local universities than the business services sector, while whilst business services organisations were more involved in promoting them at universities with relevant specialist departments.

**Figure 9. Employer engagement with universities in promoting graduate roles and industry experience**  
(% of respondents)



Source: CBI Economics survey (April 2024)

One trend that was not reversed, however, was employers' preferences concerning different types of institution. Professional and technical universities were substantially more popular for promoting opportunities than highly selective universities. Employers were more than twice as likely to promote internships at professional and technical universities (19% vs 8%), and almost three times as likely to promote graduate roles there (17% vs 6%). Larger businesses were substantially more involved with professional and technical universities than SMEs in promoting graduate roles (31% vs 14%).

This trend is to be somewhat expected though, as the nature of these universities and the education they provide tends to be more vocational, necessitating more collaboration with industry. Despite this, employers were still rather unlikely to promote opportunities at specific types of university compared with local or specialist ones. Furthermore, 30% of employers did not engage with universities at all to promote roles and did so independently, increasing to 38% in the business services sector.

### Key Takeaways:

- 70% of employers we surveyed were involved in recruiting graduates, although the vast majority of this group did so on more of an ad-hoc basis rather than via dedicated graduate schemes.
- Whilst employers were more concerned with a university's specialism than location when assessing applications, they were more likely to promote job opportunities at local universities as opposed to those with relevant specialisms.
- Employers also engaged significantly more with professional and technical universities than other types of university to promote roles, although a substantial proportion of employers solely promoted opportunities independently.

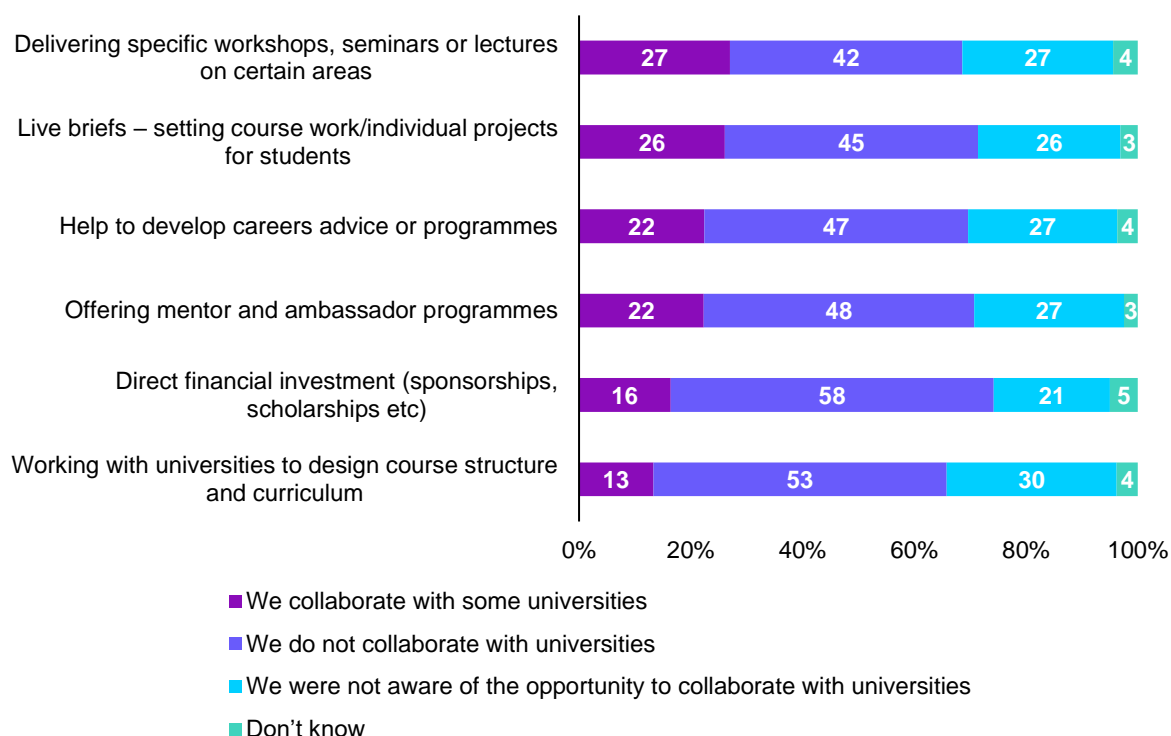


### 3.3 How do employers engage with universities in other ways beyond recruitment?

**Some employers did collaborate with universities on module content and delivery, but awareness was much higher than engagement across all collaboration opportunities.**

When evaluating a host of other collaboration opportunities, the proportion of employers involved with universities was low in comparison to overall awareness. Areas with the most engagement revolved around contributing to course content, material or delivery, as over a quarter of employers worked with universities by delivering workshops, seminars and lectures or setting live briefs (27% and 26% respectively). Delving into sectors, business services employers were 1.6 times more likely than production businesses to collaborate on delivering workshops and seminars (37% vs 23%), but interestingly this trend was reversed with regard to setting live briefs (23% vs 27%). Larger businesses were significantly more involved in contributing to course content, material and delivery compared with SMEs. Following from this, employers that delivered graduate schemes were 66% more likely to engage with universities in setting live briefs, compared with those that recruited ad-hoc.

**Figure 10. Employer engagement and collaboration with universities across a range of activities**  
(% of respondents)



Source: CBI Economics survey (April 2024)

Collaboration opportunities that were more focussed on careers support were slightly less popular. Just over one-fifth of employers were involved in developing careers advice, mentoring and ambassador programmes (both 22%). Larger businesses were over 1.4 times as likely to collaborate with universities in developing careers advice programmes. Between sectors the proportion of employers involved in this collaboration opportunity was rather consistent however, although business services organisations were 1.5 times as likely as production businesses to collaborate with universities to offer mentor and ambassador programmes.

Given the high levels of awareness throughout this question and comments indicating employer appetite for engagement is high, poor levels of collaboration throughout these opportunities is a perplexing disconnect. 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..

### Key Takeaways:

- Throughout non-recruitment related collaboration opportunities, engagement between businesses and universities was very low, especially given the levels of awareness amongst businesses.
- Areas with the most engagement revolved around contributing to course content, material or delivery, as over a quarter of employers worked with universities by delivering workshops, seminars and lectures or setting live briefs.
- Collaboration opportunities focussed on providing careers support were slightly less popular, as just over one-fifth of employers were involved in developing careers advice, mentoring and ambassador programmes.





### 3.4 Where could graduates be stronger in recruitment?

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

The Department for Education's recent employer skills survey indicated that graduates are largely well equipped for employment, as 81% of employers reported the university leavers they recruited were 'well' or 'very well prepared'.<sup>5</sup> Despite this, our survey delved into employer perspectives around areas in which graduates may still be lacking. When explicitly asked, many respondents highlighted the skills gaps they have experienced in recruitment, regardless of the university attended.

Mirroring the preferences that employers expressed in previous questions, these gaps centred around the wider themes of so called "soft" or core skills and vocational experience. In employers that reported a potential lack of core 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.

Some particularly interesting anecdotes under this theme of core skills include:

*"Critical thinking – coming up with their own frameworks to organise the dimensions of a problem rather than relying on what they have been spoon-fed at university. Understanding of how cultural differences influences approaches to problem solving and social engagement."*

**Education, London**

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<sup>5</sup> Department for Education (2023) Employer skills survey: 2022

*“Some struggle to talk about themselves and their impact/influence in competency related situations, they focus on ‘we’ rather than ‘I’. They need to be guided on how to sell themselves, and find a way to stand out from others. Stating they are hardworking, committed etc is important but doesn’t make them a stand-out applicant.”*

**Manufacturing, North West**

*“We have to teach [graduates] therefore how to hold a professional conversation on the phone. We also have to teach them to unlearn everything they might have learned about writing long-form documents. We require simplicity of language. When they come to us, they seem to think that complex sentence structure is a way to impress when it’s not.”*

**Other service activities, South East**

Of the employers that were dissatisfied with the levels of vocational experience that graduates obtained 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 skills include **business and commercial awareness**, drive and motivation, communication and interpersonal skills.
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**, as there is a potential risk for a harmful disconnect to develop here. This collaboration will give universities a **stronger idea of what skills and experiences are needed**, as this could change significantly between businesses and industries.

The theme of vocational experience generated comments such as:

*“The biggest thing we find that is missing is real life experience out in industry. If I could influence anything in this survey, I would strongly urge to make most degrees block sandwich, 6 months in, 6 months out. Then the candidate would be useful and have practical experience and would start to contribute without having to teach them about what they should have learned at University.”*

**Construction, South East**

*“It is our company's opinion that many graduates are not given the correct skills to function in a working environment. More courses should run work experience or placement programmes.”*

**Manufacturing, South East**

*“We find that graduates often have unrealistic expectations of what they're going to be asked to do when employed, and expect too much to be done for them. I believe that universities could do more to properly prepare graduates for the 'working world', and the significant differences between university and employment.”*

**Agriculture, forestry and fishing, West Midlands**

### **Key Takeaways:**

- When explicitly asked whether there was anything which graduates lacked and where universities could support more preparation, employer answers fell under the two main themes of so-called “softer” skills and vocational experience.
- Within softer skills, attributes like confidence, motivation and initiative were cited, along with written communication skills, interpersonal skills and the ability to integrate with in a team environment.
- In terms of vocational experience, employers thought that a lack of this could potentially inhibit development of some of the softer skills mentioned previously.
- Employers believed universities should do more to offer hands-on, practical experience that is invaluable to graduates, and more university-industry collaboration could facilitate this.

## 4 Conclusion

Students in the UK are faced with an extensive range of higher education options. This research sheds vital light on what businesses are looking for in the graduates they hire. Although a relevant degree subject is an important requirement for most employers, they tend to be more interested in the broader transferable skills and characteristics that graduates develop during their time at university. Vocational experience is also very important to employers.

Graduates' enthusiasm and attitude towards the role, along with their wider skills and competencies are the factors that will serve them best throughout the recruitment process. These emerged as more than three times as valuable to employers as the type of institution graduates attended, or the grade or level of qualification they obtained there. The vast majority of employers observed no difference in the performance or recruitment prospects of graduates that attended different higher education institution types, and some favoured professional and technical universities that were involved in greater levels of business collaboration.

To improve their recruitment and career prospects, students should take advantage of opportunities to develop their broader, more transferable skillset whilst at university. Although most employers indicated that a university degree is an important starting point, students would gain from focusing on opportunities to improve their interpersonal, communication and problem-solving skills whilst at university. This could be further supplemented by seeking vocational experiences or courses which have vocational elements built in from the start.

In addition to the insights and guidance that this research has provided for students, graduates and their parents, it also generated some recommendations for the other key stakeholders involved.



## 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.



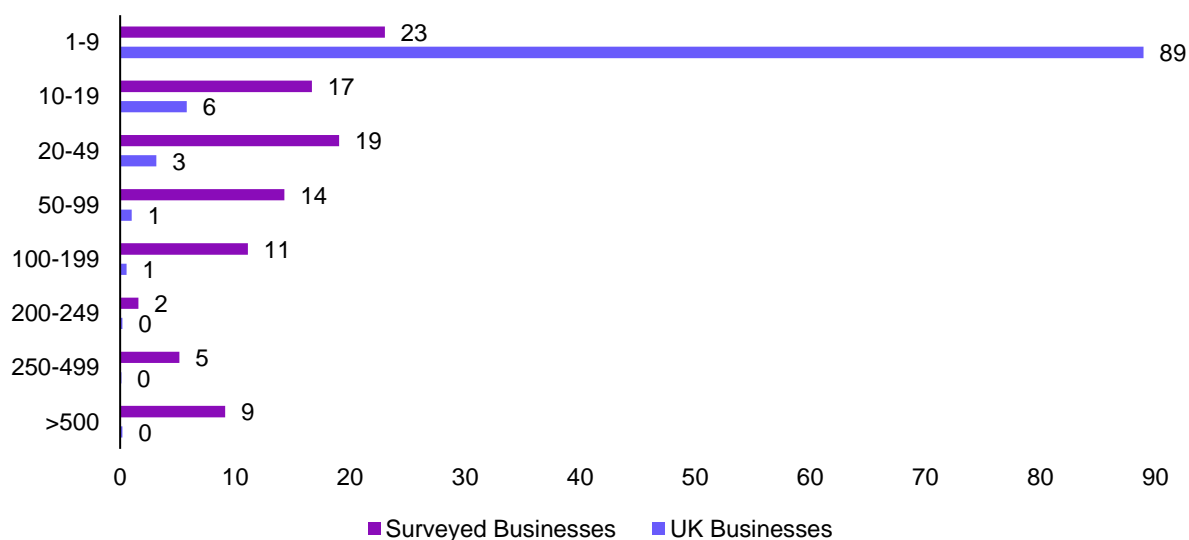
# Appendix: Our survey sample

## Survey sample overview

**Our sample was distributed across all business sizes, sectors and regions, leaning slightly more towards manufacturers and larger businesses.**

A total of 252 UK businesses contributed their insights to this survey, with broad and comprehensive coverage across UK businesses, leaning towards those that were more involved in graduate schemes and recruitment. In terms of business size, 86% of respondents were SMEs and the remaining 14% were large businesses. This reflects the total UK business population in which approximately 99% are SMEs, as the primary reason for this difference lies in the 1-9 employee size band, which constituted 23% of our survey sample compared to 89% of the wider business population. Our sample aligns with the UK trend of business prevalence decreasing with size although it is more even in its distribution – a potentially useful characteristic as larger businesses were found to have a much deeper involvement in graduate recruitment.

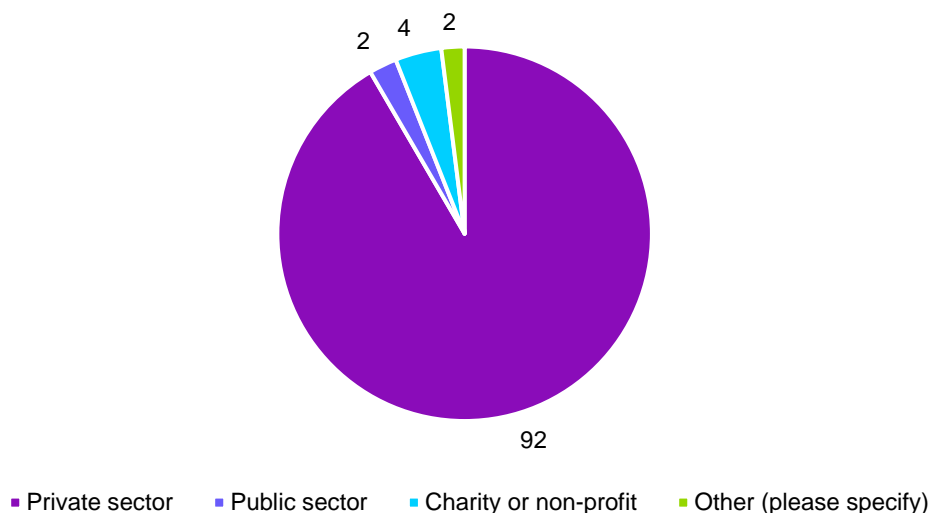
**Figure 11. How many employees are currently working in your organisation?**  
(% of responding employers)



Source: CBI Economics survey (April 2024) and Department for Business, Energy and Industrial Strategy Business Population Estimates (2022)

**Figure 13. What wider sector does your organisation belong to?**  
(% of responding employers)

What wider sector does your organisation belong to? (% of respondents)

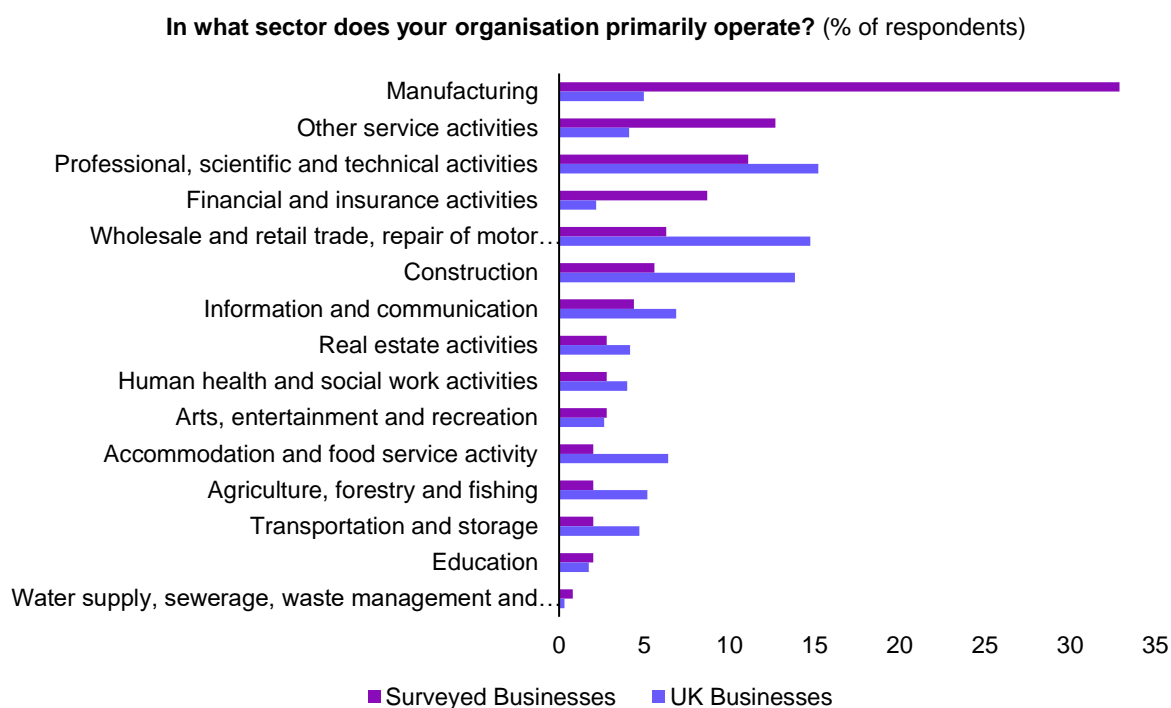


Source: CBI Economics survey (April 2024)

Our sample displays good coverage of UK sectors, with particular focus on manufacturing, professional and business services. The wider UK business population is distributed slightly more evenly across sectors, with greater proportions operating in construction (14% vs 6%) and wholesale and retail trade (15% vs 6%). At a higher level, private and public/charity sectors accounted for 92% and 6% of our sample respectively. Our sample is weighted more towards the public/charity sector than the UK business population, in which 4% of businesses fall into this category. Despite this, the sector distribution of our survey means that our findings mostly reflect graduates employed in industry and the private sector, rather than those employed in public organisations in healthcare, education and government.



**Figure 12. In what sector does your organisation primarily operate?**  
(% of responding employers)

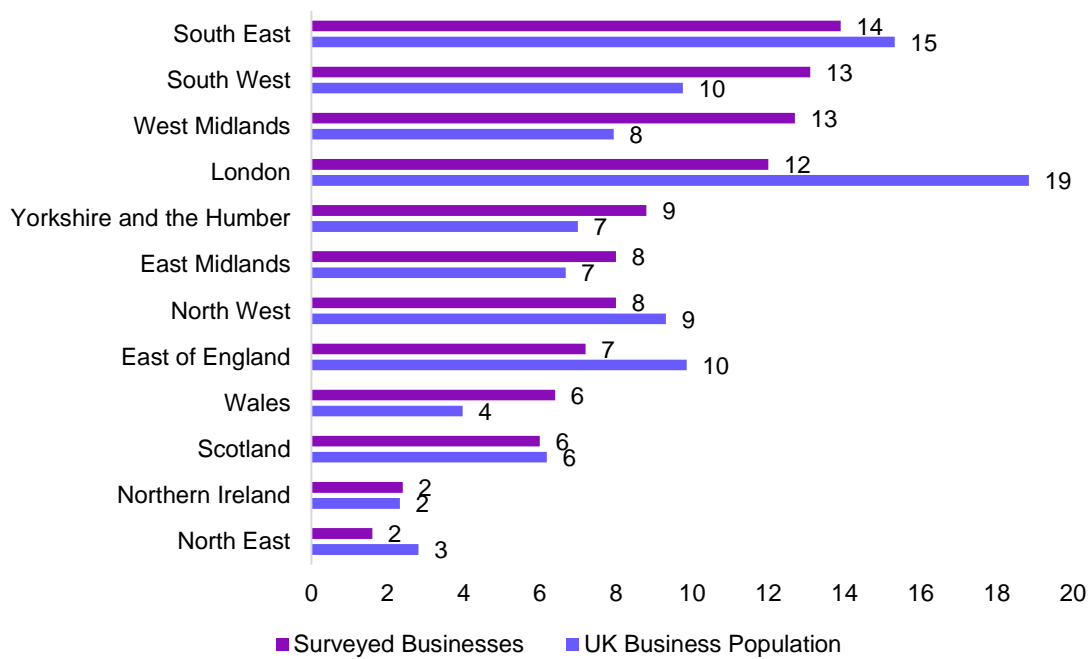


Source: CBI Economics survey (April 2024) and Department for Business, Energy and Industrial Strategy Business Population Estimates (2022)

Geographically, the survey sample is distributed very evenly across UK regions, with the only regions slightly underrepresented being Northern Ireland and the North East at 2% of the sample each. As displayed in Figure 14, the geographic distribution of the survey sample is largely in line with the wider UK business population. The only notable disparities lie in the West Midlands being slightly overrepresented in our sample, and London being slightly underrepresented.



**Figure 14. In which region/nation is your head office based?**  
(% of responding employers)



Source: CBI Economics survey (April 2024) and Department for Business, Energy and Industrial Strategy Business Population Estimates (2022)



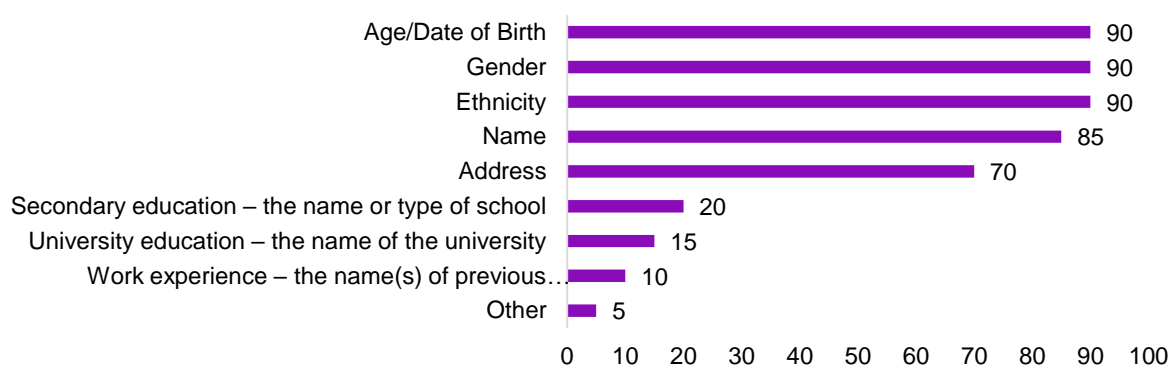


## Recruitment practices

**Blind recruitment practices are still very uncommon amongst employers, and a candidate's education is typically not anonymised**

'Blind recruitment' practices are extremely uncommon amongst employers. One quarter (26%) of employers either undertook or potentially planned to undertake blind recruitment, with just one-tenth (11%) involved in the practice currently. Furthermore, two-thirds (66%) of employers had no intention of implementing this hiring practice.

**Figure 15. The information hidden or anonymised amongst employers undertaking 'blind' recruitment (% of respondents)**



Source: CBI Economics survey (April 2024)





## Glossary

In order to differentiate between different types of universities and higher education institutions, our survey adopts **three fundamental categories**, that were introduced to respondents at the beginning and used consistently throughout:

- **Highly selective universities:** These are universities that require the highest grades for entry, and may also be known as ‘research-intensive universities’, because they undertake significant amounts of research. Some, but not all of these universities are in the Russell Group of universities.
- **Professional and technical universities:** These are large to mid-size universities which provide technical and vocational higher education, in addition to traditional academic subjects. These universities regularly work with industry to co-design courses and to deliver applied research. Some, but not all of these universities are in the University Alliance group of universities.
- **Smaller or more specialist universities:** These are smaller, and often less research-focussed universities that have a more specialised course offering, such as in the arts or agriculture, for example.

We also refer to ‘vocational experience’ throughout, but do so in a rather holistic sense. This is the full description provided within the survey:

- **Vocational experience** here is used as an umbrella term, including internships, placement years, practical or employer-informed projects and other work experience.

Our survey required respondents to list the Standard Industrial Classification (SIC) section they operated in, but for our sub-sample analysis these SIC sections were grouped into wider sectors, to enable more applicable and engaging insights. The sector groups were as follows:

- **Production sector:** agriculture, forestry and fishing; mining and quarrying; manufacturing; electricity, gas, steam & air conditioning supply; water supply, sewage and waste management; construction
- **Business services sector:** Information and communication; financial and insurance activities; real estate activities; professional, scientific and technical activities.
- **Other services sector:** wholesale and retail trade; transportation and storage; accommodation and food services; administrative and support services; arts, entertainment & recreation; other services.
- **Public services sector:** public administration and defence; education; human health and social work activities.

Also in our sub-sample analysis, we divided businesses of different sizes into:

- **SMEs:** Employers with fewer than 250 employees
- **Large Businesses:** Employers with 250 or more employees

Some survey questions offered employers to answer on an evenly-distributed negative to positive scale, for example ranging from 'strongly disagree' to 'strongly agree'. In these questions, net balance measures are used to aggregate responses into one value.

- **Net balances:** calculated by subtracting the total proportion of those selecting negative options from the total proportion selecting positive.



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