

Policy Brief: The impact of Covid-19 on recent graduates' early career decisions and outcomes

Summary and recommendations

This report presents findings and recommendations from a mixed methods research study investigating the early employment and university-to-work transitions of recent graduates who have graduated into a pandemic-affected labour market. Based on the study's findings, the following recommendations include:

- Higher Education Institutions (HEIs) should ensure that careers education, information, advice and guidance (CEIAG) and opportunities for work experience, work-integrated 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
- HEIs, together with Association of Graduate Careers Sharing of best practice and the fostering of a collaborative approach to supporting those graduates affected by Covid-19.
- Funding for the provision of support and mentoring for more at-risk graduates to gain work experience.
- 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.
- Graduates should have good access to clear training and work experience pathways that will enhance early career progression and development, especially in relation to robust and sustainable work-experience and internships.
- Employers can be incentivised to enhance and scale-up graduate traineeships (including commitment to new training pathways for those unemployed over 6 months).
- Support and funding for graduates to gain employment in their region of choice, from policy makers, directed through careers services.

Summary of problem/challenge/opportunity

The Covid-19 pandemic continues to affect significant areas of society and the economy. Graduates and those entering the labour market will encounter a more precarious and uncertain labour market context and face some immediate and potentially longer-term impacts on their movement into a weakened labour market. These include the declining volume of vacancies, the reduction in training opportunities for first time employees, the retention of more experienced employees, and the lessening of career-building opportunities such as short-term work experience placements.

Even before 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. The cohort who graduated from university in 2020 have already experienced 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. 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

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. Many graduates from higher education will be part of a number of these intersecting identities.

Policy recommendations

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.

This will help promote access to relevant university support and infrastructure, e.g., via career and skills development online learning resources and ensure graduate are better equipped on leaving university (HEIs).

2) HEIs should ensure that careers education, information, advice and guidance (CEIAG) and opportunities for work experience, work-integrated 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.

This will ensure a better balance between academic and career-orientated learning experiences and provide more graduates with access to career learning opportunity before leaving HE (HEIs).

3) 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.

This will enrich the existing knowledge base on effective and high-impact practices that work in facilitating graduates' early career developing, including

pedagogic or career readiness tools that work provide effective diagnostic value (HEIs and sectors bodies).

4) Employers should commit to high-quality graduate development programmes, including career-enhancing training pathways, internships and on-the-job training to support a cohort of graduates that will need to be agile in a challenging labour market. For example, 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.

This will provide incentives for graduates to engage in early forms of work experience and provide important bridging between HE and employment (Employers and Government).

5) 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.

This will help better support at-risk or potentially marginalised graduates from accessing equitable opportunities and minimise unemployed graduates from being penalised longer-term (Employers).

Summary of evidence

This project was based on a two-stage research design that utilised a first-round and follow-up survey and interviews. The first stage 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. A total of 2,767 graduates provided completed data that were included in analysis. The sample consists of a diverse group of graduates from across a broad range of UK higher education institutions. In addition, 56 individual interviews were conducted from January to April 2021, covering the period of the second national lockdown. The interviews were all conducted online through Zoom. The second survey was open for three weeks between the final week of June and second week of July to all the 2,767 graduates whose data had been used for the first survey and the response rate was 610 participants, representing roughly a fifth of respondents who had taken part in the earlier survey. The second stage of the study also conducted 24 follow-up interviews between August and October from the sample who had been earlier interviewed in 2021.

Key findings

Impact of the current labour market context on graduates' perceived employment and career prospects

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).¹⁴ 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. The pandemic-affected labour market is having a discernible impact on how recent graduates perceive their employment prospects and opportunities for career progression. The vast majority of respondents perceived 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, have become less confident about their future employment prospects, faced greater challenges finding employment than they expected and believe the pandemic has significantly damaged their job prospects.

Key challenges in relation to employment situation

Graduates reported a range of challenges in looking for and attaining their targeted employment. The most prominent challenge concerned staying focused and motivated, indicating that some of the above challenges are impacting graduates' ability to maintain their career goals. Another significant challenge reported was gaining the relevant work experience that employers require, a concern which those who were interviewed perceived to have been compounded by the decline in aligned work experience opportunities during the pandemic. Graduates also reported significant concern around their ability to develop meaningful and sustained social networks due to continued social restrictions. This was a perceived early career barrier for those who might not have been able to form significant career-enhancing relationships during HE or build upon initial contacts just before graduating. Others reported challenges around being able to market themselves and what they can offer, indicating perceived shortfalls in accessing early career opportunities that might enhance their marketability.

Impacts further into graduation

The follow-up survey provided further insight on graduates' employment experiences and trajectories a further six months on from graduation. Just under two thirds of the sample believed that their current employment was not aligned to their employment goals. Those who were unemployed or in jobs not aligned to their HE qualification were more likely to perceive being very far away from where they wanted to be or that they had made meaningful progress. These graduates were also more likely to report that their current situation of being either unemployed or under-employed had made them question the value of their degree, as well as concerns about the devaluing of the skills they could offer as graduate. Related were concerns about their skills not being valued or utilised in future employment.

Amongst the graduates who were unemployed or under-employed at the time of the second survey, over 80 percent reported that this experience had made them very concerned that the skills they had acquired through HE were not going to be valued in the future. Nearly all unemployed graduates reported significant damaged to morale, career motivation and confidence, as well as wider impact on well-being and self-esteem. Related, they were more likely to report depreciation to their skills and potential stigmatising effects of longer-term unemployment.

The qualitative 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. 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.

The interview data also revealed different transitional positionings and early career trajectories. Overall, a distinction emerged between graduates who had made more seamless transitions to employment and who were less impacted by the pandemic and those whose early employment experiences were more fractured and precarious. The study found further nuances through the identification of four main transitional experiences:

- *Disorientated*: Graduates who continued to feel marginalised by the current labour market and felt that relevant opportunities were passing them by and likely to experience initial scarring.
- *Indeterminate*: Graduates who were either between roles and positions or not in targeted job and who felt that they still some way away from realising their employment goals. However, they were more optimistic and felt they were making progress and maintaining their profile.
- *Emerging*: Graduates had started to make some meaningful progress in their employment through gaining initial employment or valuable work experience.
- *Integrating*: Graduates who had moved successfully into targeted employment soon after graduating and were continuing to positively build their employment profiles and forming clearer and more cohesive early career trajectories and identities.

Sources and further reading

Association for Graduate Careers and Advisory Services (2021) *The Impact of COVID-19 on Graduate Career Decisions and Outcomes: A report into the employment experiences of graduates from UK higher education during the COVID-19 pandemic*, Sheffield: AGCAS.

About the authors

- This brief was authored for ReWAGE by Dr. Michael Tomlinson, University of Southampton
- This policy brief represents the views of the authors based on the available research.