Emsi

Emsi **How to** Guides

Three Steps to Building a Portfolio Geared to Better Employment Outcomes

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WE ARE WORKING WITH:

Foreword

The Higher Education space is changing rapidly. Perhaps the biggest shift in recent years has been the move towards a greater emphasis on employment outcomes – something that has emerged naturally from the introduction of tuition fees and from the need to find solutions to the nation's skills gaps and low productivity.

For instance, according to YouthSight's Higher Expectations study, the numbers of students citing future employability as being very important in their university choice has grown from 45% in 2007/08, to 57% in 2016/17[1]. Just as interesting was the fact that 47% of the people questioned said they consider a university's links with industry to be an important factor when making their choice of where to study, up from just 27% in 2007/08 and now on a par with the reputation of the university[2]. Students are very clearly thinking more about their employment outcomes and about going to a university that is likely to help them get a good job when they graduate.

But it's not just students who are thinking of universities in terms of a need for better employment outcomes. For instance, the Government's Industrial Strategy makes it clear that better partnerships between Higher Education institutions and industry are are crucial if we are to see a closing of the skills gaps and an increase in productivity. The Government's White Paper establishing the Teaching Excellence Framework also recognised universities as having a "paramount place in an economy driven by knowledge and ideas", before acknowledging that "employers are suffering skills shortages," with "around 20% of employed graduates in non-professional roles three and a half years after graduating.

With a number of other external pressures also playing a part in the growing emphasis on employment outcomes – such as the Fees Review, Destinations of Leavers from HE (DELHE) survey and Degree Apprenticeships – as well as the effects of more general issues which place the university at the heart of driving economic change – such as devolution and Brexit – it is clear that universities are facing a big challenge to step up and make their provision more relevant to the needs of employers, and more geared towards helping their students achieve good employment outcomes .

But the question is how can this be achieved? The purpose of this short guide is to show you how you can shape a portfolio that is more geared to producing the employment outcomes desired by students, government and employers alike.

Step 1 – Takes you through how you can assess the connection between your current portfolio and regional employment opportunities.

Step 2 – Shows you how you can understand regional employment trends for graduate level occupations.

Step 3 – Demonstrates how you can identify opportunities to develop new courses that should maximise graduate employment potential.

We hope that the insight and ideas set out over the following pages will prove to be of interest and of use to you as you seek to develop your university's course portfolio.

[1] https://blog.youthsight.com/a-degree-is-not-enough-the-universities-that-succeed-and-fail-in-selling-their-story-on-future-employability

[2] https://blog.youthsight.com/he-research-snippet-22-what-matters-more-to-high-achievers-reputation-or-employability-and-how-does-your-university-fair

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-readyversion.pdf

1 Assess Your Current Course Areas

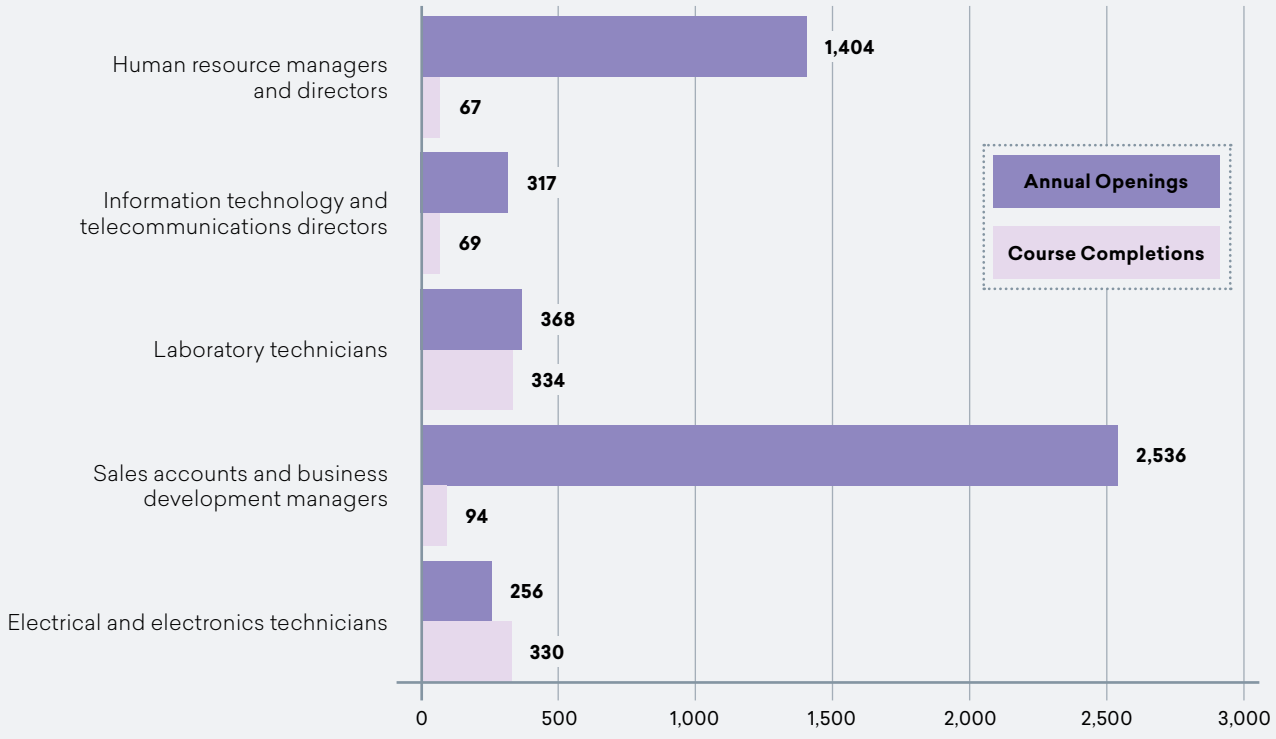
The key to building a portfolio geared to better employment outcomes lies in achieving better alignment of course areas to industry demand. There are two ways that this can be done. The first is a supply-led approach, which begins with existing courses and assesses how well they align with the needs of employers in related occupations. The second is to identify employer demand itself, and to develop courses around that. We'll look at the first of these ways in this step, and then at that more ambitious, demand-led approach in Step 3.

Assessing a current course area against employer demand involves three key components. The first is the number of course completions in the subject area in a given year. Secondly, we need to then make the connection between these courses and related jobs, which requires mapping them to related Standard Occupations Classifications (SOC). And thirdly, we also need to know the number of annual openings in those associated occupations in your region.

Your university will of course possess the first of these components, but what about the second and third? The good news is that Emsi has the ability to do both, having already undertaken the exercise of mapping courses to related SOC codes, and also having within our dataset the projected number of annual openings for any occupation, for any area of the country, including your university region.

What this means is that by starting with a course area, or even multiple course areas, we can compare this to the number of annual openings in the occupations to which it relates. As an example, the chart below uses anonymised data to show completions in five course areas (dark purple bars), and this is set alongside the total number of annual openings in the region for related occupations (light purple bars):

ANNUAL OPENINGS AND COURSE COMPLETIONS IN FIVE SUBJECT AREAS



The most obvious thing that this comparison shows is that there is currently a significant undersupply in Human resource managers and directors (1,404 annual openings compared to 67 completions in related courses), and Sales accounts and business development managers (2,536 compared to just 94). Elsewhere, there is a slight oversupply of Electrical and electronics technicians, with 330 course completions compared to annual openings of 256, whilst Laboratory technicians, on the other hand, is fairly well aligned.

Of course, there is more to it than this. Firstly, in every region there will be a certain number of job claimants who are seeking jobs in these occupations, and these are taken into account in our actual Portfolio Assessments. Secondly, vacancies could be filled from within the existing workforce (from other occupations) or by workers from other localities. Thirdly, the course completion data only takes account of graduates from the university being audited. There may well be other education providers who are also supplying these skills into the region, and so where there appears to be under supply, some of it at least may be made up elsewhere.

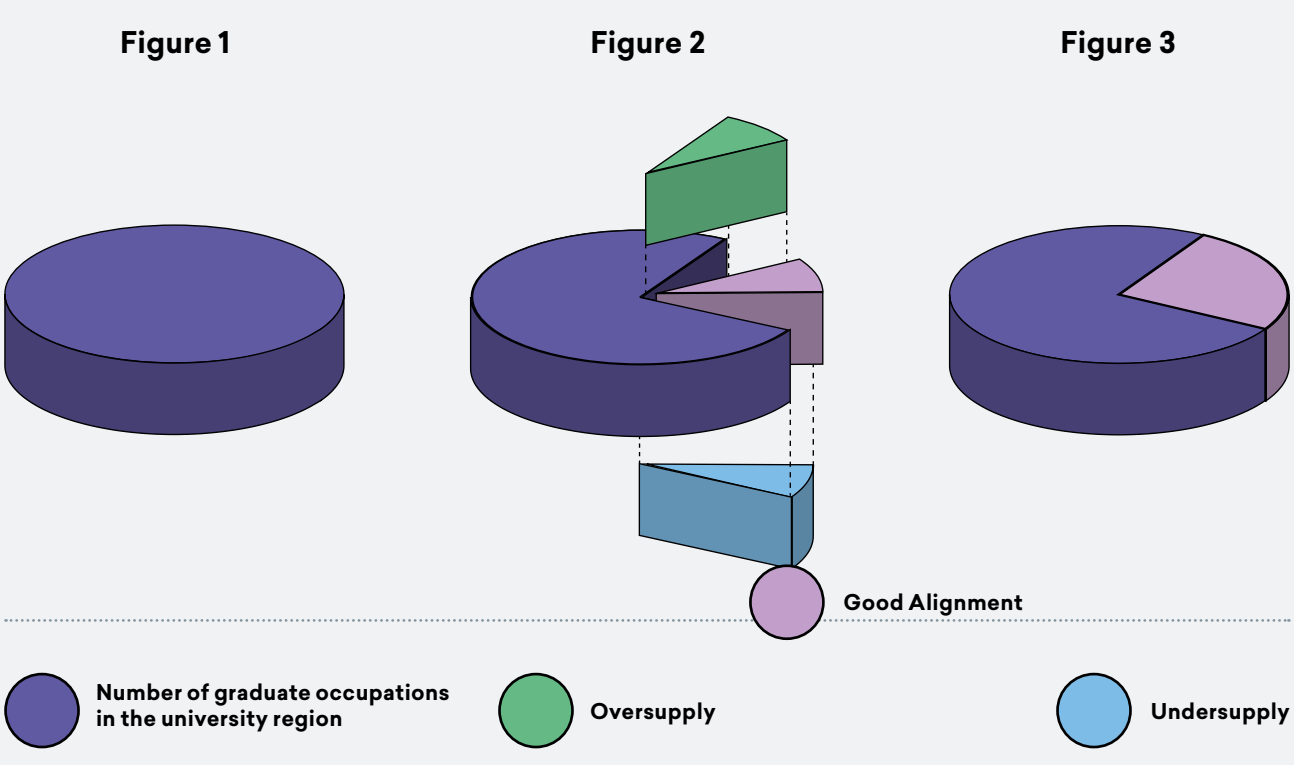
However, even before we take these three factors into account, the chart on page 4 tells us a number of things from a "directional" sense. For instance, we can see that the university in question is over-supplying in Electrical and electronics technicians, because it is currently supplying more people qualified in this field than there are currently openings. At the same time, we can also see that there is likely to be room for growth in both Human resource managers and directors, and Sales accounts and business development managers, as in both cases the university is currently supplying less than 5% of the annual openings in the region.

We can illustrate this in the following way. In Figure 1 below, the purple pie represents the total number of occupations in the university's labour market region that require a degree-level qualification. Figure 2 shows the same labour market pie, but this time with three wedges, which together represent the institution's entire course portfolio. However, as you can see, there are parts of it which are currently undersupplying the labour market (blue wedge), parts that are oversupplying (green wedge), and other parts which are reasonably well aligned (light purple wedge).

The goal of assessing course areas, as we have done on page 4, is to therefore identify these three areas, so that the university can act to increase provision in areas of oversupply, and decrease it in areas of undersupply, leaving a portfolio that is far closer to alignment with labour market demand for related occupations (Figure 3). It is important to note that this can be done on both a tactical level, whereby individual course areas can be assessed, or on a more strategic level, where the whole portfolio is assessed for alignment.

However, notice that even if steps are taken to align course areas, the realignment only takes place in those areas that the university currently caters for (represented by the light purple in Figure 3). What it doesn't do, though, is address the rest of the graduate labour market pie – that is, those occupations which require a degree, but which the current course portfolio does not cater for (represented by the dark purple in Figure 3). To identify these, we must begin not with the university's courses, but with total labour market demand in the region, and for this we first need to better understand demand for graduate labour, which we'll turn to in Step 2.

PORTFOLIO ALIGNMENT

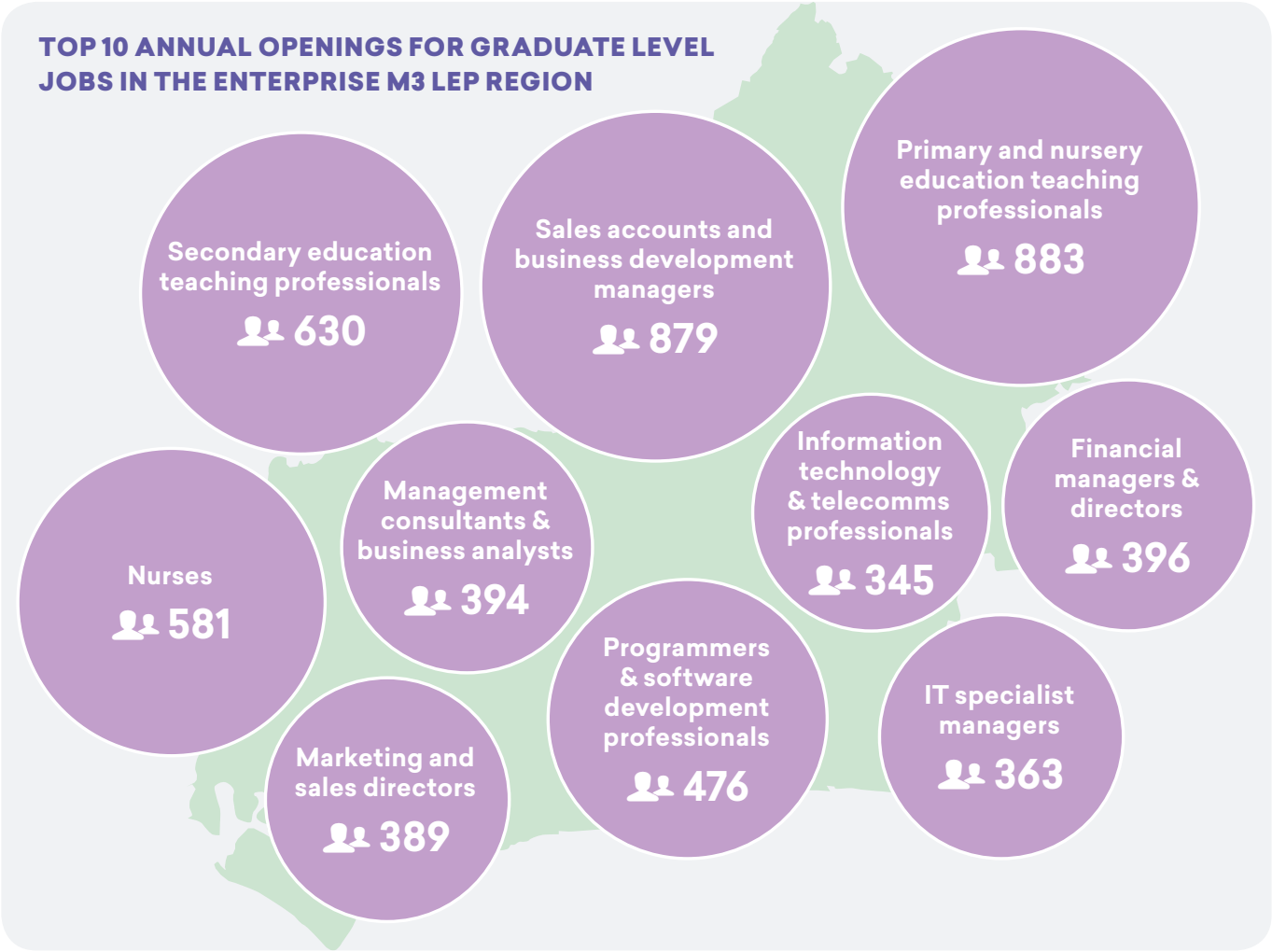


2 Understand Local Graduate Job Trends

The starting point for taking a demand-led approach to portfolio planning is to first understand the skills needs of regional employers. But short of conducting endless surveys, or gathering a ton of local jobs data and then employing data experts to try to make sense of it, how exactly can this be attempted? The answer is to make use of good, regional Labour Market Insight (LMI) to identify demand for graduate occupations in a university region.

Our insight is designed to be able to lift the lid on any occupation, down to the 4-digit Standard Occupation Classification level, for any region of the country, down to Local Authority Level. In addition, we are able to distinguish between occupations which require a degree and those that do not. What this means is that we can look at a university region, and identify a number of metrics, including the largest employing occupations, the fastest growing occupations and, most crucially, the expected number of annual openings in each occupation (annual openings is job growth plus natural job churn, due to things like people retiring).

For example, in the graphic below, we have identified the Top 10 occupations by annual openings for the Enterprise M3 LEP Region.



With this sort of insight, where we identify demand for graduate occupations in the university region, we can then look to develop new courses that better reflect the needs of employers and industry, which is what we will turn to in Step 3.

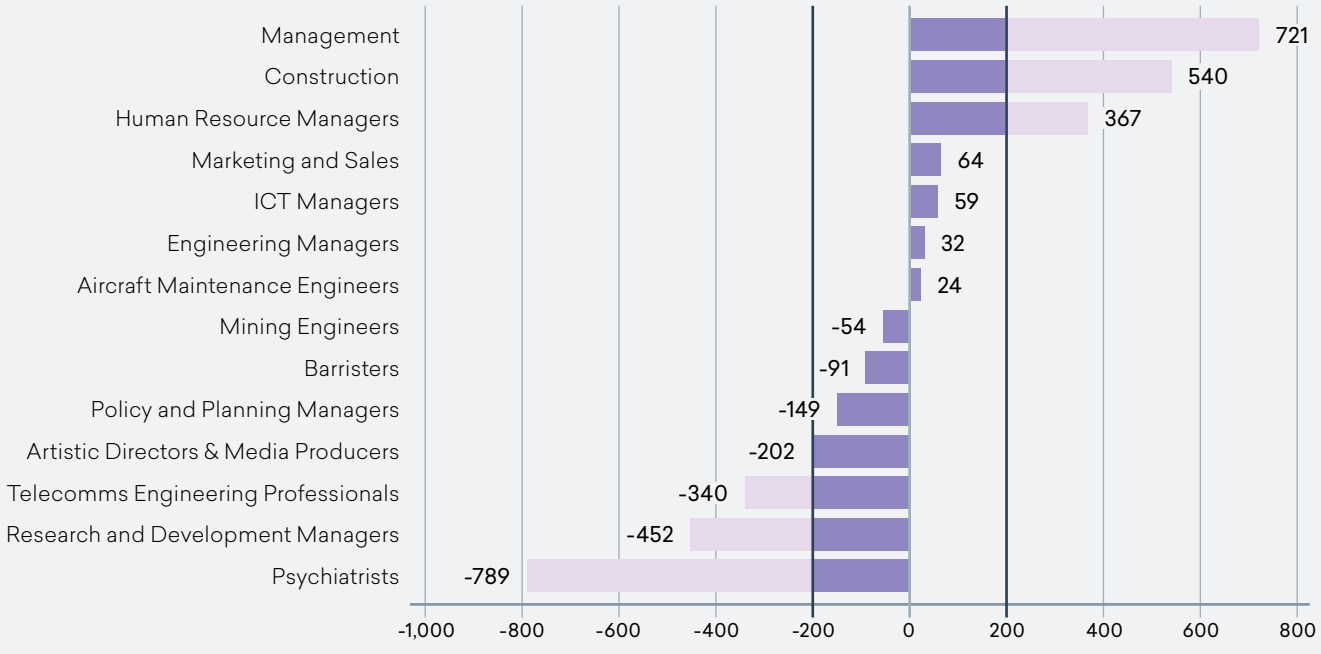
3 Identify Opportunities for New Courses

The supply-driven approach shown in Step 1 provides a great starting point for assessing how well your current portfolio is aligned to related demand. But it is only when we start with demand for graduate labour, as shown in Step 2, that a university can become really ambitious and begin to identify opportunities to create courses that are geared to producing better employment outcomes.

To achieve this requires a "Gap Analysis". What this essentially does is start with labour market demand for graduate positions in a university region, and by comparing this against the institution's provision, identifies "gaps" – that is, areas of demand which the university is not currently meeting.

For instance, the following chart shows the gaps between annual openings and course completions in 14 subject areas at a particular university. As you can see, there are areas where the university portfolio is reasonably well aligned, as represented by the darker shaded area in the middle. However, there are also areas of over and undersupply, and it is these where the university should perhaps think about in terms of reducing or increasing provision.

GAPS BETWEEN LABOUR MARKET DEMAND (MEASURED BY ANNUAL OPENINGS) AND COURSE COMPLETIONS IN 14 SUBJECT AREAS



Of course, the identification of gaps once again comes with the caveat that we are only looking at the university's supply, and the figures do not take into account the supply from other providers, or other sources of labour such as industry-trained pipelines and job changers from other occupational categories. Nevertheless, the figures are significant enough to indicate that there may well be room for the institution to grow the top three courses, to consider offering the middle three, and to look at whether current provision in the bottom three should perhaps be reduced.

The point of the "Gap Analysis" is not that you get the results and immediately begin thinking about changing your existing portfolio in order to better meet demand for graduate labour. Rather, the point is that by having the understanding that the insight gives, your university is far better placed to start prioritising those areas which have the biggest gaps. By identifying these, and then acting on the most significant findings, your university can take great strides towards developing a portfolio that is geared to producing the sorts of employment outcomes that Government, industry and your students want to see.

The Challenge of Planning a Portfolio Geared to Producing Better Employment Outcomes

Aligning courses to better reflect industry demand is something that Government, employers and even students are increasingly calling for. But how can this be done?

Our aim is to give you the insight to help shape your portfolio so that it better meets industry needs and leads to stronger employment outcomes.

Let's Talk

We'd love to hear about how you are approaching this challenge and whether our insight might be of use. Contact us and we will:

Listen

We'll listen to the challenges you are facing in trying to produce a more industry-aligned course portfolio.

Discuss

We'll show you how our solutions can identify areas of misalignment and how this can shape future planning.

Deliver

We'll work with you to implement our solution and help you use it to move towards a more demand-led portfolio.

Contact us now

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