Title: **Mitigating Risk for Graduates and Potential Employers: *The Moral Imperative For Students In Delivering Superior Value For Employers***

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Summary: By applying the conceptual model outlined in this paper, those charged with or concerned about graduate employability will find the transformation of a series of 'employability' steps into a relevant and easy to communicate philosophy of Graduate Employability. Furthermore, the model affords the potential to generate a viable 'added value' metric for employers applicable to assessing the impact of their graduate employee cohorts over non-graduate permanent staff.

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Mitigating Risk for Graduates and Potential Employers: *The Moral Imperative For Students to Deliver Superior Value For Employers*

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By applying the conceptual model 'the Graduate Employer Risk Mitigation Scale (GERMS)' outlined in this paper, those charged with or concerned about graduate employability will find the transformation of a series of 'employability steps' into a relevant and easy-to-communicate philosophy of Graduate Employability. Furthermore, the model affords the potential to generate a viable 'added value' metric for employers applicable to assessing the impact of their graduate employee cohorts over non-graduate permanent staff. The student experience will be enhanced as universities, as piloted in Northampton Business School and promote the need for graduates to present employers with capabilities, skills and confidence that clearly out-compete what *in situ* non-graduate employees currently offer or can achieve. In presenting the unvarnished truth to students, their individual employability value should increase as they apply for graduate schemes and direct entry in demonstrably 'work ready' shape.

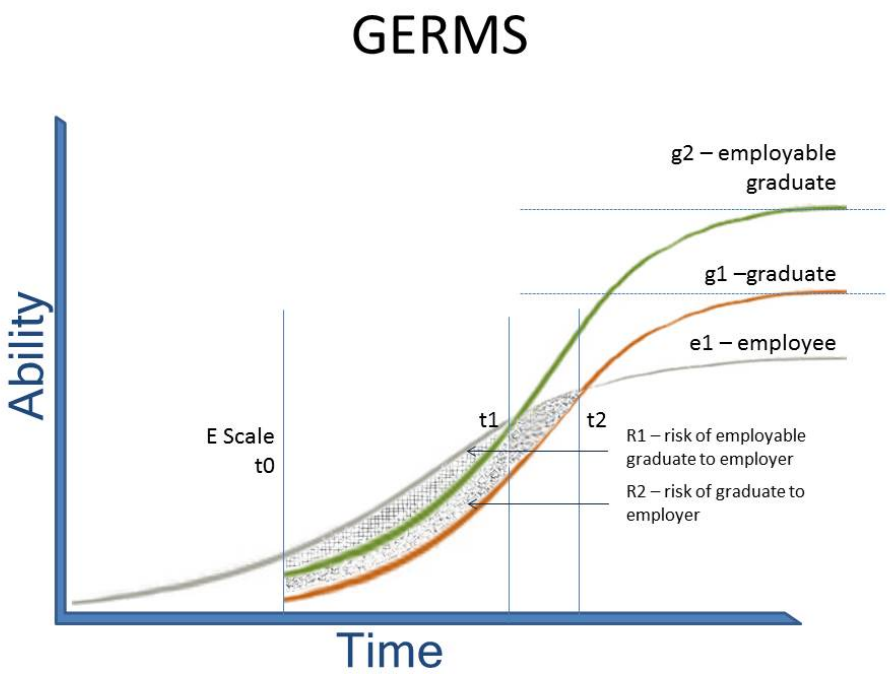

Figure 1 - Graduate Employer Risk Mitigation Scale

The idea

The Graduate Employer Risk Mitigation Scale (GERMS), in its simplest form, contrasts assessment of Graduate students' (g1) in-job competence and delivery (Value) perceived by the employer against the employer's perceived Value of an *in-situ* experienced non-graduate worker (e1).

In the scenario represented in Figure 1, the under-performance (value) of *g1* in relation to *e1* identifies that there is a significant period of Risk (R1 + R2) to the Employer when the Graduate may not deliver significant value in their role for quite some time, by virtue of the

fact that they commence employment three years after a non-graduate employee. During that time, it is reasonably assumed that the non-graduate employee acquires or enhances skills, knowledge, and confidence that even the sharpest graduate will require at least months of in-situ work in order to close the value gap.

This period of risk and the value gap demonstrates the need for students to accept a *moral imperative* upon them to *mitigate the risk* to both the employer and themselves by increasing their own employability through specific and targeted actions to ensure that their academic and workplace skills and experience equip them with the ability to plot an upward and sustainable trajectory that outpaces the value added by a non-graduate employee.

Distinct Graduate value starts to occur at the point value/ability exceeds the indicative value set by a non-graduate employee (e1) and this is shown at the point where the Graduate *g1* intersects the Employee *e1* creating the point *t2*.

Superior Graduate value is secured when the Employable Graduate *g2* increases their employability along *e0* thereby increasing Overall Graduate Value and reducing Employer Risk to *R1*.

Importance of the idea

Introducing a *moral imperative* into student employability elevates the subject and its approach with a philosophical driver. In addition, at the level of implementation the model is flexible and accommodates most quantitative approaches to improving employability. This derives from the y-axis that can be configured to reflect the values of most employability assessments available. It is also boundless inasmuch as a superior Employable Graduate can sit outside of the zone of 'risk' (r1) without disproving the model.

Outcome

By introducing the concept of a Moral Imperative for Employability, supported by the Graduate Employer Risk Mitigation Scale, students and employers can better apply quantitative assessment that goes much further than merely ticking off a list of things to do to improve recruitment outcomes. The moral imperative also assists universities to develop strategies that engage students in taking ownership of the need to manage their own graduate identity and extend their applied capabilities once in a graduate role.

The approach enhances recruitment and selection outcomes by introducing a deeper understanding and respect amongst the stakeholders in the process which, by design, will carry the concept further and achieve more stakeholder support than a checklist alone. When quantitative testing and outcomes are applied to the Employability Scale (e0), a more focused and effective set of steps can be implemented and replicated – demonstrating a learning and improvement cycle in the teaching of Employability.

The Evidence Base

In preparing business students for the employment marketplace, many commentators have noted the need to equip our graduates with both technical skills as well as emergent abilities (generic or employable skills) which are often captured in the hackneyed (although difficult to replace) phrase of 'thinking outside the box'. As Jackling and De Lange put it, such a "mixture of skills is seen as being necessary by employers as it helps them solve the diversity of business challenges" (Jackling and De Lange 2009: 370). The abilities of "knowledge workers", as Jackling and De Lange labels accountants and others (*Ibid.*) need to be more than just excellent at the fundamental work of accountancy. Indeed, they continue to cite a substantial raft of literature which indicates that there is an emerging consensus that "it is the transferable generic skills that are associated with career success", whilst technical skills and knowledge are presumed to be generally comparable across all similarly qualified employees (*Ibid.*: 371). In other words: the accountant recruit stands out, is recruited, retained and promoted not by being *just* an excellent accountant. A valuable employee is a good or excellent accountant who *also has* differentiated problem-solving, client relationship management, forensic or other abilities which are both valued by the employer, and can be 'sold on' to clients as added-value services. In summarising the raft of literature noted above, the authors conclude:

> Collectively the authors of these studies have lamented calls by employers generally, who argue that accounting education has failed to deliver suitably qualified graduates to meet their needs. The extent of the problem is largely manifest in the notion that graduates do not possess important generic skills. This skill set typically includes mastery of communication, teamwork, and leadership qualities (*Ibid.*).

The debate that Jackling and De Lange then usefully rehearse is around universities which state that all they can do is offer the opportunity for students to acquire generic / employable skills and those who strive to ensure that such skills are unavoidably embedded in teaching, learning and assessment strategies.

In his study of Small and Medium Sized Enterprises (SMEs) and graduate skills in the United Kingdom, McLarty found – from interviewing SME-owners and managers – that there were "two clear groups of skills" sought from graduates:

> (1) Personal attributes ± commitment, competence, confidence, creativity, dedication, enthusiasm, flexibility, intelligence, leadership, maturity, motivation, perception, personality, professionalism, qualifications, and reliability.
>
> (2) Business needs ± commercial competence, communication, IT competence, language ability, loyalty, market awareness, organisation, planning, product knowledge, sector knowledge, social ability, teamwork, management, technical ability, and work experience (McLarty 2000: 620).

Once selected and working, SMEs – although not (yet?) major employers of graduates – found them to be of great value. Managers consulted graduates for their ideas and expertise and felt more confident in their decision-making because of the counsel they received or the technical knowledge they had (e.g. about technology or marketing) (*Ibid.*: 626).

The fly-in-the-ointment was that finding work-ready graduates was not easy when "the skills associated with SME demand are *significantly different from those offered by graduates*; they are much more commercially orientated, practical and applicable, and anticipate that the recruitment of graduates will bring into the firm `'work-ready'' recruits" (*Ibid.: 625, emphasis added).* In terms of the GERMS conceptual model, then, graduates for SME and other employment need to be work-ready both in competition with their fellow graduates but also with established, *in situ* employees who are very likely to already be more than clear about commercial imperatives, practical solutions and so on. McLarty concludes his article with a statement that underpins the authors' perspective: graduates, he writes, "must become aware of the nature of employer demand" (*Ibid.*: 626).

In writing about the challenge for health professionals to be ready for the practical demands of their employment, Walker, Yong, Pang, *et al.* define Work Readiness (WR) as "the extent to which graduates possess the attributes that prepare them for success in the workplace (Caballero and Walker, 2010), [and that] is gaining popularity as a selection criterion for predicting graduate potential" (2013: 116). The authors also suggest that there is indicative evidence that graduates benefiting from "problem-based curricula" may be more work ready than those who had experienced "traditional curricula", not least because of the social skills contained in the former (*Ibid.*: 117). Given the nature of health professionals work, which may have some read-across to business environments in terms of challenging work, long hours and high risk, albeit of a different nature to that found in the clinical world, we agree with Walker, Yong, Pang *et al.* who suggest that WR "may be especially important to promote a smooth transition and integration into the workplace" (*Ibid.*: 117). Given the fragility of corporate reputations, the need for risks to be effectively managed – graduates cannot afford to put a serious foot wrong in their new posts. Again, the contrast against established and business-savvy *in situ* non-graduates is clear. A non-graduate current employee or potential employee from a similar firm may be seen by some employers as a less risky choice than a naïve, risk-unaware, over-confident, book-smart graduate.

Indeed, Walker, Yong, Pang *et al.* continue to report the critical importance of excellent communication, inter-personal, support-seeking, mature and conflict-management skills to integrating effective healthcare professionals as well as resilience, robustness and stress management, to name but a few (*Ibid.*: 617-620).

By briefly exploring the literature on employability, the demands of UK SMEs, healthcare professionals, we have demonstrated that there is both a market **pull** for graduates to have specific non-technical (generic / employable / transferable) skills as well as a clear **push** that all graduates entering an ever-more competitive job recruitment, retention and promotion market must recognise, meet and (ideally) exceed the market pull. Given, for example, that UK SMEs have historically employed so few graduates – "it is estimated that only about 8 per cent of the workforce in firms employing fewer than 25 people are graduates" (McLarty 2000: 616) – and given that SMEs employ most people in the UK economy, unlocking such a market and removing the perceived risks held by employers could be of huge benefit to graduates, SMEs and the wider UK economy. However, achieving this requires graduates to

understand that they have to offer substantial and arguably unexpected capabilities to meet the demands of sceptical employers who can always choose to employ a non-graduate.

Applying the Conceptual Model

DHL Global Forwarding comments that the model 'provides simple and elegant insight in to the broader delivery of our graduate programme, whilst also asking questions of pre-graduates aka Apprenticeships' (Freer, J 2013, pers. comms., 9th April).

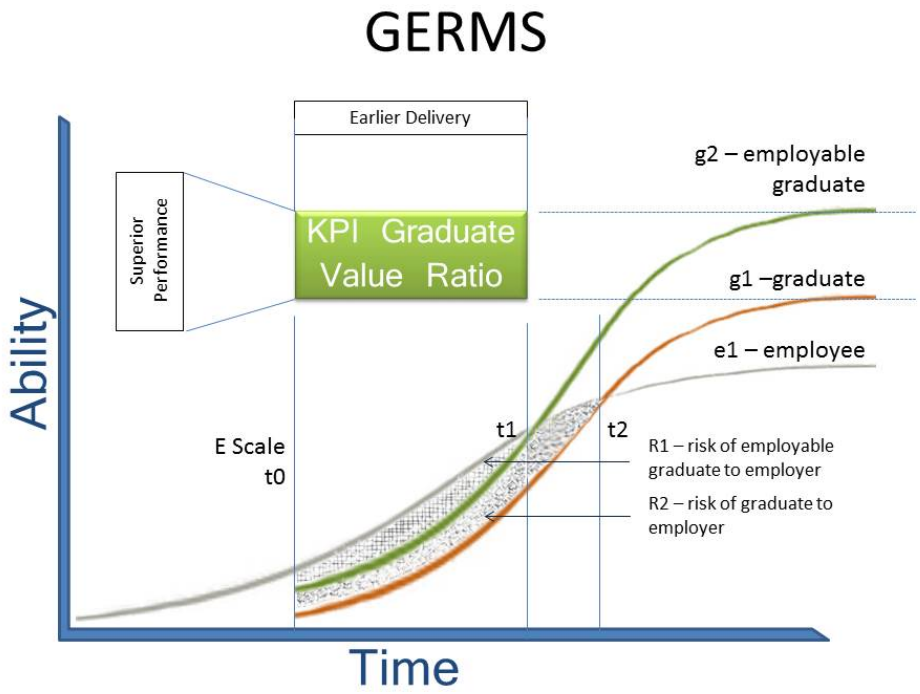

Figure 2 - Graduate Scheme Value

Practical future application in a business setting includes the potential to adopt an in-company Graduate Scheme Value as a ratio of v:*t* (see Figure 2) and therefore a quantifiable and appropriate KPI within recruitment at the firm, as well as a more widely applied and relevant metric alongside key Graduate Employability measures.

Pre-model application lends itself to questions concerning competent apprentices, entering corporate schemes without student debt, and adequately mapping on to the model as comparators.

Post-model application lends itself to questions around differentiation of University Graduates and how well University degree content and experience ensures superior performance in employment (for both employer and graduate employee) and thus contributes to the higher price point for employing graduates.

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