

PROSPECTS

The graduate labour market and
COVID-19 – as far as we know it

The Jisc logo consists of the word "Jisc" in white, lowercase letters, centered within a solid orange square.

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The UK graduate labour market

- Evidence is mounting that the labour market hit bottom at the end of March and has (very slightly) recovered and stabilised
- The graduate labour market has suffered but it's worse for non-graduates and apprentices right now
- Things are very difficult for SMEs
- There is a lot of data but it's not always easy to interpret

The UK graduate labour market

- Sectors experiencing less disruption are heavy recruiters of graduates such as health and social care.
- IT and professional services also seem to be holding up well but don't currently seem to be recruiting much
- The arts have been particularly badly hit
- As have the self-employed

Where we are

- GDP fell by 19.1% in three months to May and 20.3% in April (ONS, July 14th)

	Feb 2020	Mar 2020	Apr 2020	May 2020	Change in GDP (February 2020 to May 2020)	Rolling three-month growth (March to May 2020)
GDP	0.0%	-6.9%	-20.3%	1.8%	-24.5%	-19.1%
Index of Services	0.0%	-7.5%	-18.9%	0.9%	-24.4%	-18.9%
Index of Production	0.4%	-4.3%	-20.2%	6.0%	-19.1%	-15.5%
Manufacturing	0.9%	-5.2%	-24.4%	8.4%	-22.3%	-18.0%
Construction	-1.8%	-5.4%	-40.2%	8.2%	-38.8%	-29.8%
Agriculture	0.0%	-0.9%	-5.4%	-6.2%	-12.0%	-6.3%

Source: Office for National Statistics – GDP monthly estimate

Where we are

- By 16th July, 9.4 million jobs had been furloughed through the government's Coronavirus Job Retention Scheme (CJRS).
- Most likely to be young (17 year olds most likely of all), at smaller businesses and female
- Many of these jobs will be lost once the furlough scheme ends – PWC think about one in six

As of this week

- Vacancy rates running at about half of normal level
- Slow and stuttering improvements seen
- Health, social care, IT, education jobs have all held up reasonably well. All are graduate
- Some signs of a pick-up in accounting and finance, warehousing/logistics, sports, beauty
- LinkedIn global data suggests that hiring may begin to grow gradually, starting four to six weeks after lockdown measures relax as has been seen in countries ahead of the UK

How might COVID-19 affect job hunting?

- **Fewer vacancies**
- Recruitment has changed – much more virtual interviewing/assessment
- Some (but only a minority?) of roles may be reneged on
- May take longer to secure jobs, start dates may be delayed
- Induction is a challenge
- Decisions made about recruitment and business strength this year will also affect next year's recruitment round.



Placements and internships

- ISE data shows employers expect to recruit 40% less interns and placement students than planned.
- Not all negative:
 - Some universities are offering alternative assessments to curtailed placement years.
 - Employers are shifting to digital internships and placements or shortening the experience/delaying start dates.

PG study

- Prospects survey of university finalists found that almost half (47%) are now contemplating a postgraduate course and 29% are considering a career change.
- HESA data shows that there's usually an increase in PG study during turbulent economic times.
- Conversion courses available for career changers.

Occupational shortage data

- One in five UK employers (20%) had at least one vacancy at the time of ESS 2017 fieldwork (summer 2017)
- Just over one million vacancies were reported
- 9% increase on the number in 2015.
- Levels of recruitment activity have increased compared to 2015 in England, Scotland and, most notably, Northern Ireland.
- In Wales recruitment activity was broadly unchanged.

The Future

- PWC expect demand for labour to fall about 5% over the course of 2020
- Jobs in health and social care will thrive
- Low carbon workforce to triple by 2030
- Demand for digital skills and creativity, critical thinking, interpersonal communication skills and leadership skills more important
- Significantly more virtual working – CIPD expect number of home workers to at least double and 65% of employers say virtual working has had no effect on or improved employee productivity

Occupational shortage data

- An employer reported a vacancy as 'hard to fill' if they found it difficult to fill for *any reason*.
- This is a *subjective* measure, and if a vacancy was considered 'hard to fill', it should not be assumed that it was not ultimately filled, or that it was not filled by someone considered suitably skilled and qualified for the position.
- Vacancies that employers find hard-to-fill due to applicants lacking relevant skills, qualifications or experience are termed 'skill-shortage vacancies'.
- This is also a subjective measure. All SSVs are HTF, but not all HTF vacancies are SSVs.

Graduate jobs with *highest numbers* of reported vacancies

- Nurses
- Human resources and industrial relations officers (covering recruitment consultants etc)
- Business sales executives
- Welfare and housing associate professionals
- IT user support technicians
- Marketing associate professionals
- Programmers and software development professionals
- Engineering professionals n.e.c (covering niche and specialist engineers)
- Sales accounts and business development managers
- Managers and directors in retail and wholesale
- Medical practitioners
- Solicitors
- Vocational and industrial trainers and instructors
- Primary and nursery education teaching professionals
- Business and related associate professionals n.e.c. (including people with generic jobs titles)
- Youth and community workers
- Chartered and certified accountants

Just under 309,000 reported vacancies in 169 different professional occupations (4 digit SOC)

Graduate jobs with *highest numbers* of reported vacancies

This data does not examine how difficult these roles are to fill, it simply looks at how many vacancies ESS respondents reported in 2017

This list of vacancies is not dissimilar to the list of most common jobs for new graduates. The top 10 jobs for new graduates from 2016/17 were as follows:

- Nurses
- Marketing associate professionals
- Medical practitioners
- Primary and nursery teaching
- Business and related associate professionals n.e.c. (including people with generic jobs titles)
- Programmers and software developers
- Finance analysts and advisers
- Human resources, recruitment industrial relations officers
- Chartered and certified accountants
- Welfare and housing associate professionals

Hard to fill vacancies

- An employer reported a vacancy as 'hard to fill' if they found it difficult to fill for *any reason*
- 33% of vacancies were considered 'hard to fill', in line with previous years
- Over 106,000 reported HTF vacancies across 165 different professional occupations (4 digit SOC)

Graduate jobs with *highest numbers* of reported hard to fill vacancies

- Nurses
- Programmers and software development professionals
- HR and recruitment
- Medical practitioners
- Welfare and housing associate professionals
- Business sales executives
- IT user support technicians
- Sales accounts and business development managers
- Marketing associate professionals
- Engineering professionals n.e.c.
- Managers and directors in retail and wholesale
- Design and development engineers
- Web design and development professionals
- Veterinarians
- Chartered and certified accountants

Over 106,000 reported HTF vacancies across 165 different professional occupations (4 digit SOC)

Graduate jobs with *highest numbers* of reported hard to fill vacancies

- similar to the list of vacancies overall (as expected);
- the top 5 professions on the list of hard to fill vacancies are all in the top 10 roles taken by new graduates (and marketing and accountancy roles are also on both lists)
- suggesting that even though thousands of graduates enter each of those jobs every year, employers nevertheless still find positions difficult to recruit and that supply and demand of graduates may not be as well matched as we would like.
- although the rhetoric about graduate shortage focuses on STEM (and not without reason), many of the roles employers find hard to fill, despite considerable numbers of new graduate entrants are in business services and welfare.

Hardest graduate jobs to fill

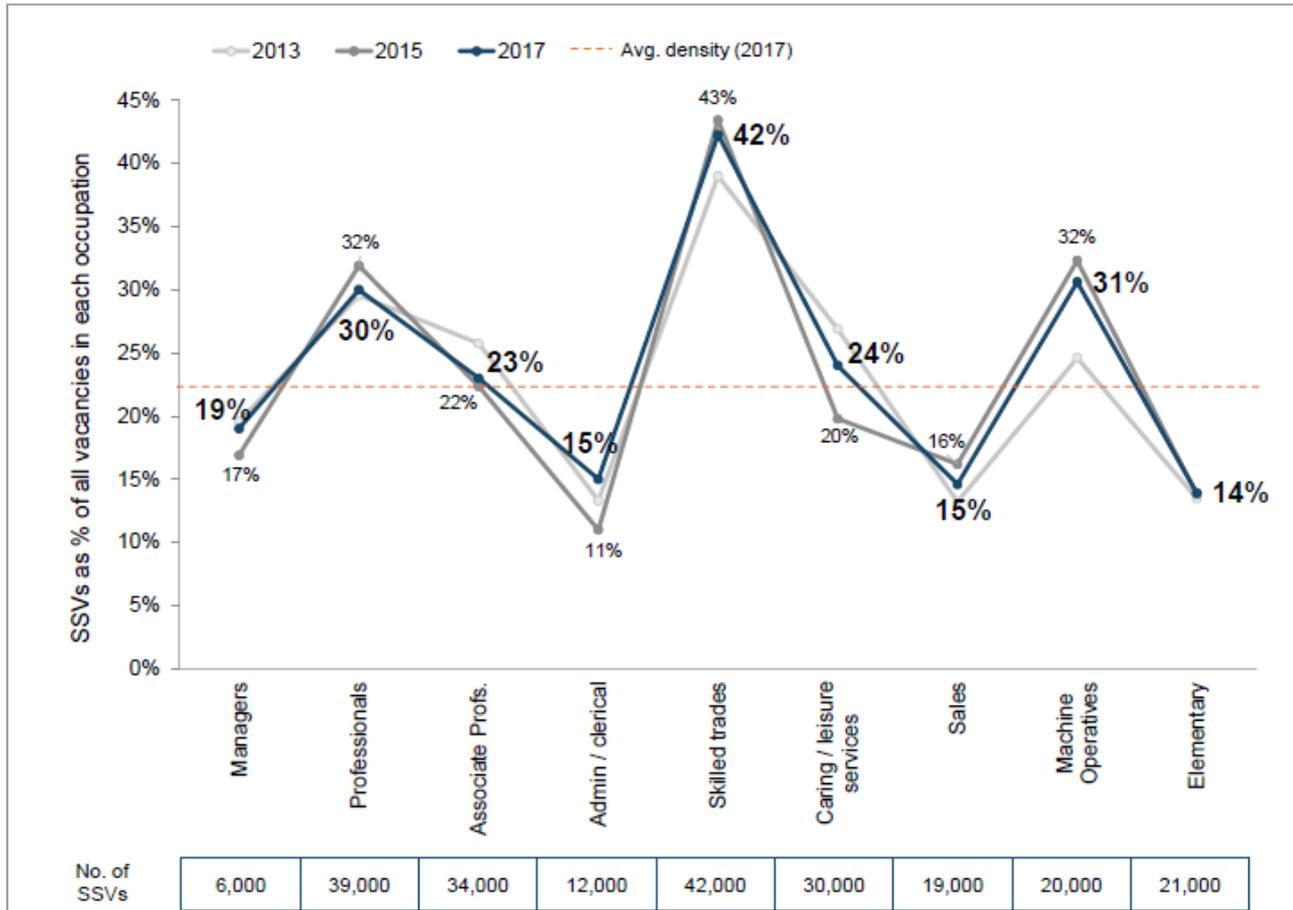
Highest proportion of HTFs	Proportion of vacancies that are HTF
Medical practitioners	93.0%
Veterinarians	86.8%
Draughtspersons	72.6%
Nurses	72.1%
Electronics engineers	63.3%
Electrical engineers	58.8%
Civil engineers	57.9%
Quantity surveyors	56.6%
Web design and development professionals	54.1%
Design and development engineers	53.9%
Environment professionals	52.6%
Pharmacists	52.5%
Estimators, valuers and assessors	52.2%
Programmers and software development professionals	50.0%

Skills shortage vacancies

- Vacancies that employers find hard-to-fill due to applicants lacking relevant skills, qualifications or experience are termed 'skill-shortage vacancies'.
- Whilst the proportion of employers with skill-shortage vacancies was unchanged from 2015 at 6%, in volume terms the number of such vacancies has increased by 8%, from 209,000 to 226,000 (similar to the increase in overall vacancy numbers).
- Skill-shortage vacancies accounted for 22% of all vacancies in the UK (in line with the 23% density reported in 2015).
- There were just under 79,000 reported HTF vacancies across 163 different professional occupations (4 digit SOC)

Skills shortage vacancies

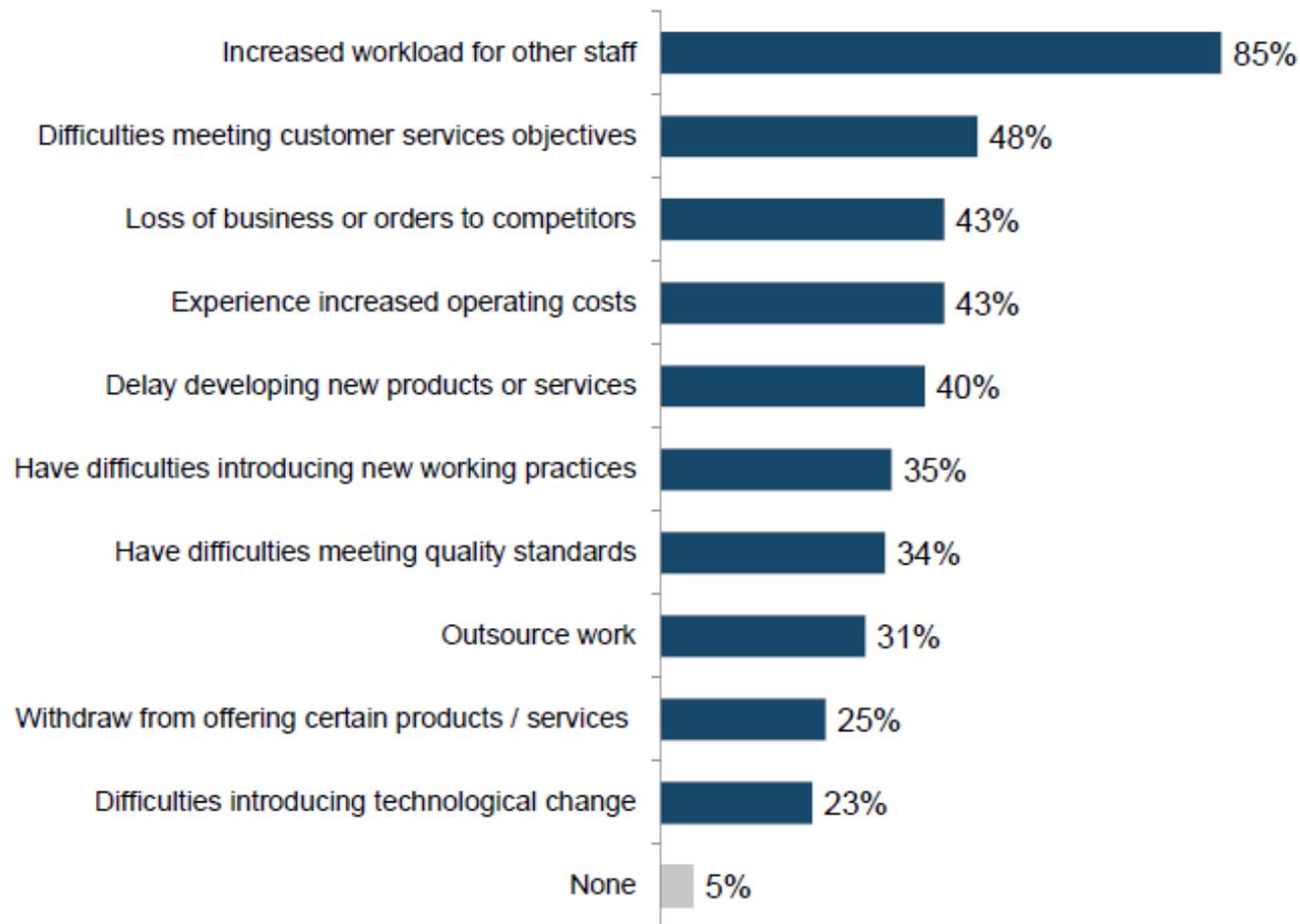
Figure 3.5 Density and number of skill-shortage vacancies (SSVs), by occupation



Produced by IFF Research

Base: All establishments with vacancies in each type of occupation (see Table A.3.2 in Appendix A for base sizes)

Impact of skills shortage vacancies



Produced by IFF Research

Base: All establishments where all hard-to-fill vacancies are caused by skills related issues (6,670)

Graduate jobs with *highest numbers* of reported skills shortage vacancies

- Nurses
- Programmers and software development professionals
- Human resources and industrial relations officers
- IT user support technicians
- Business sales executives
- Sales accounts and business development managers
- Engineering professionals n.e.c.
- Marketing associate professionals
- Design and development engineers
- Welfare and housing associate professionals
- Web design and development professionals
- Chartered and certified accountants
- Medical practitioners
- Teaching and other educational professionals n.e.c.
- Finance and investment analysts and advisers
- Secondary education teaching professionals
- Graphic designers

Graduate jobs with *highest proportions* of reported skills shortage vacancies

Highest proportion of SSVs	Proportion of vacancies that are SSVs
Electronics engineers	59.8%
Civil engineers	55.4%
Design and development engineers	49.7%
Quantity surveyors	49.6%
Veterinarians	49.0%
Programmers and software development professionals	48.1%
Environment professionals	47.9%
Electrical engineers	47.2%
Web design and development professionals	45.7%
Photographers, audio-visual and broadcasting equipment operators	41.6%

Why are positions hard to fill?

Managers

Too much competition from other employers	7.9%
Not enough people interested in doing this type of job	16.5%
Poor terms and conditions (e.g. pay) offered for post	12.4%
Low number of applicants with the required skills	43.0%
Low number of applicants with the required attitude, motivation or personality	16.5%
Low number of applicants generally	19.3%
Lack of work experience the company demands	28.6%
Lack of qualifications the company demands	12.6%
Poor career progression / lack of prospects	3.3%
Job entails shift work/unsociable hours	9.8%
Remote location/poor public transport	12.6%
Low number of suitable applicants inc. Age of applicants	2.1%
Lack of funding for the position	3.1%

Why are positions hard to fill?

Technical / practical skills found difficult to obtain from applicants for manager	
Computer literacy / basic IT skills	23.1%
Advanced or specialist IT skills	20.1%
Solving complex problems requiring a solution specific to the situation	52.2%
Reading and understanding instructions, guidelines, manuals or reports	22.4%
Writing instructions, guidelines, manuals or reports	22.4%
Basic numerical skills and understanding	21.4%
More complex numerical or statistical skills and understanding	31.1%
Communicating in a foreign language	12.7%
Manual dexterity	8.0%
Adapting to new equipment or materials	18.7%
Knowledge of products and services offered by your organisation and organisations like yours	45.8%
Knowledge of how your organisation works	42.5%
Specialist skills or knowledge needed to perform the role	67.2%

Why are positions hard to fill?

Soft skills found difficult to obtain from applicants for manager	
Instructing, teaching or training people	42.1%
Sales skills	32.1%
Customer handling skills	38.8%
Persuading or influencing others	47.8%
Team working	38.5%
Managing or motivating other staff	54.8%
Ability to manage own time and prioritise own tasks	43.5%
Setting objectives for others and planning human, financial and other resources	41.1%
Managing their own feelings, or handling the feelings of others	38.8%
Making speeches or presentations	23.1%
None of the above	16.7%

Why are positions hard to fill?

Professionals

Too much competition from other employers	12.7%
Not enough people interested in doing this type of job	19.6%
Poor terms and conditions (e.g. pay) offered for post	11.1%
Low number of applicants with the required skills	46.0%
Low number of applicants with the required attitude, motivation or personality	8.1%
Low number of applicants generally	28.4%
Lack of work experience the company demands	18.1%
Lack of qualifications the company demands	17.3%
Poor career progression / lack of prospects	3.0%
Job entails shift work/unsociable hours	3.6%
Seasonal work	0.6%
Remote location/poor public transport	12.8%

Why are positions hard to fill?

Technical / practical skills found difficult to obtain from applicants for professionals	
Computer literacy / basic IT skills	15.3%
Advanced or specialist IT skills	30.8%
Solving complex problems requiring a solution specific to the situation	40.5%
Reading and understanding instructions, guidelines, manuals or reports	16.0%
Writing instructions, guidelines, manuals or reports	18.3%
Basic numerical skills and understanding	12.0%
More complex numerical or statistical skills and understanding	24.9%
Communicating in a foreign language	11.9%
Manual dexterity	6.2%
Adapting to new equipment or materials	11.8%
Knowledge of products and services offered by your organisation and organisations like yours	30.6%
Knowledge of how your organisation works	24.2%
Specialist skills or knowledge needed to perform the role	69.7%

Why are positions hard to fill?

Soft skills found difficult to obtain from applicants for professionals	
Instructing, teaching or training people	23.0%
Sales skills	14.1%
Customer handling skills	25.4%
Persuading or influencing others	24.8%
Team working	25.2%
Managing or motivating other staff	28.7%
Ability to manage own time and prioritise own tasks	36.2%
Setting objectives for others and planning human, financial and other resources	23.1%
Managing their own feelings, or handling the feelings of others	24.9%
Making speeches or presentations	16.5%
None of the above	33.2%

Why are positions hard to fill?

Associate professionals	
Too much competition from other employers	9.1%
Not enough people interested in doing this type of job	16.2%
Poor terms and conditions (e.g. pay) offered for post	10.4%
Low number of applicants with the required skills	46.5%
Low number of applicants with the required attitude, motivation or personality	13.1%
Low number of applicants generally	17.3%
Lack of work experience the company demands	27.6%
Lack of qualifications the company demands	16.0%
Poor career progression / lack of prospects	1.5%
Job entails shift work/unsociable hours	4.7%
Seasonal work	0.9%
Remote location/poor public transport	9.6%

Why are positions hard to fill?

Technical / practical skills found difficult to obtain from applicants for associate professionals	
Computer literacy / basic IT skills	18.4%
Advanced or specialist IT skills	28.5%
Solving complex problems requiring a solution specific to the situation	43.1%
Reading and understanding instructions, guidelines, manuals or reports	20.1%
Writing instructions, guidelines, manuals or reports	20.9%
Basic numerical skills and understanding	16.3%
More complex numerical or statistical skills and understanding	28.4%
Communicating in a foreign language	9.8%
Manual dexterity	8.3%
Adapting to new equipment or materials	16.1%
Knowledge of products and services offered by your organisation and organisations like yours	46.8%
Knowledge of how your organisation works	34.8%
Specialist skills or knowledge needed to perform the role	71.4%

Not enough applicants

- Midwives
- Insurance underwriters
- Biological scientists and biochemists
- Chartered architectural technologists
- Health professionals n.e.c. (therapists etc)
- Medical practitioners
- Veterinarians
- Financial managers and directors
- Electrical and electronics technicians
- Nurses
- Managers and directors in transport and distribution
- Secondary education teaching professionals

More than half of all employers with these vacancies said they didn't get enough applicants to fill positions

Useful resources

- [Prospects.ac.uk](https://prospect.ac.uk) has up-to-date information, advice and a list of vacancies
- [Your career and COVID-19](#)
- [7 ways to improve graduate employability in lockdown](#)

