



Employer Demand and its Influence on Higher Education Provision Summary Project Note

Background issues and Context

Employers vary in their 'demand' for HE provision and have equally varied forms of engagement with universities and colleges, to enable messages about demand to be sent out. This may be for specific kinds of graduates, for more generic skills which they would like all graduates to have, or for courses or 'bites' of learning activity which HE could provide for their employees. Universities and colleges also have a range of points of contact with employers where they can pick up on 'demand' information (some involving other organisations, professional bodies in particular, and increasingly Sector Skills Councils or Regional Skills Partnerships). This interface has numerous outcomes – in planning, in up-dating curriculum, in developing new courses etc.

Currently, we make assumptions about how well 'employer demand' is articulated and used by higher education but we actually have very little evidence on how processes work and how effective they are in developing and shaping the curriculum, qualifications and new HE programmes to help meet business needs. There is lots of anecdotal evidence and examples of where employer demand is well aligned with graduate supply, and where universities have been responsive to employer demand. There are also examples of misconceptions or confusion arising from contradictory messages from employers. It would appear though that no systematic evaluations have been undertaken. There can be tensions between HEIs responding both to customer (student) demand and business needs which may reflect failures in market intelligence or business links or a real appreciation by students of where the more exciting and growing job opportunities lie. There can also be tensions between expressed views of employers of what they need, which may be relatively narrow and viewed rather short term, and what HEIs see as their legitimate role and purpose in maintaining rigorous education standards and equipping students with skills and learning outcomes which have longer term benefits for them. Professional bodies and sector bodies (SSCs) also play a role in translating employer demand, and in some disciplines have a greater direct role than most employers (e.g. law, health, some sciences).

If Leitch's recommendations on future higher education and skills supply are to be met, demand-led mechanisms such as Train to Gain are to work and more broadly, Sector Skills Councils and others are to have a more influential role in helping to develop a more responsive and relevant higher education system, then much more needs to be known about employer demand and how it influences higher education provision. This is the focus of this study.

Proposed Research

The overall aim of the study will be to explore how businesses in the private sector articulate their demand for higher level learning and to track the processes through which this results in a range of supply responses with or by higher education institutions (HEIs). The research will explore the various interface points with internal HR and union representatives, external SSCs, professional bodies and trade associations as well as HEIs (and within them the range of contact points) and the decision processes within that HEI¹ that have to be negotiated before the articulated demand emerges and the learning is then delivered.

¹ We are using HEIs for shorthand. Universities will be the main focus but it would be useful to include some FECs with significant HE provision in the scope also

We anticipate that the processes will differ depending on the size of the business, on the sector and on the extent of the interface points that have to be negotiated. Each process will be followed and examples of potential or actual blockages identified as well as examples of where these have been overcome with the lessons that might be learned from that.

This project will be a collaboratively funded and managed, led by the Council for Industry and Higher Education (CIHE) and supported by the SSDA, HEFCE, UUK, London South Bank University and the new Department of Innovation, Universities and Skills (DIUS). We will also work with others including Sector Skills Councils, professional bodies, the Learning and Skills Council (LSC), City and Guilds, FdF, Edge Foundation and others.

Key Objectives will be :

- A mapping of the main current interactions between employers and employer representative bodies that enables information on demand to be articulated and communicated to universities and developed with them.
- Investigating how information on employer demand is determined by employers and then received, interpreted and applied in universities e.g. at different levels/functions. It will also assess how much and what kind of information on employer demand is shared within and between institutions.
- Identifying where information on employer demand is being conveyed and applied effectively, what indicators of success apply as viewed by employers and HEIs, and the clear benefits arising; and also where it is perceived to be less effective, and why;
- Recommending how the current systems could be improved to facilitate closer alignment of business, individual learner and academic aims and needs.

Its scope will cover all HE provision across the UK, though we will need to focus more on some parts of HE and some sectors, business functions or disciplines than others to keep within our overall budget. This will depend in part on the funders' views. It will come clearer during the initial phase of the work as 'clusters' of interactions emerge and the key variables are identified.

The Methodology will comprise a number of phases, suggested as follows:

- 1) An initial phase to bring the consortium together, identify and agree objectives, and refine the design, scale, scope, and timing of the project.
- 2) a) A set of interviews in a sample of employing organisations, which will be 'case studies' of how employer demand is defined and the processes used for communicating and articulating this information to HE. We suggest a sample of around 25 employing organisations (but interviews might number 50 or more to include two or three interviews in large corporates leading to perhaps 75 interview interface points).

b) From the case studies, we will identify a number of dialogue processes to follow through. The exact number of these will emerge from the employer discussions, but it could range up to 50, of varying types. Interviews could be undertaken with a course leader, a PVC, a head of School, a careers adviser, learning or business research unit staff (or several of them). Some will also involve external people, eg in professional bodies, SSCs, local business development units.
- 3) In order to extrapolate from these case studies and contextualise them, we will need to:
 - a) review existing evidence from previous research studies and with key stakeholder bodies, on the effectiveness of employer-HE engagement for this purpose. We aim

where possible to extract lessons from any relevant on-going studies (such as the current DfES systematic review of employer engagement at CHERI/OU).

b) and undertake a small number of interviews with key organisations - perhaps in some HEIs, UUK, funding councils, QAA, SSCs, RDAs, CBI, FdF, the Higher Education T2G regional pathfinder projects, professional bodies, awarding bodies like C&G, Edexcel, and the Higher Education Academy (HEA) subject centre network. The scope of this will depend on what emerges from the main interviewing work.

We aim to produce an interim report around the halfway stage and organise a seminar with the academic and business communities to discuss our interim findings (which would also supplement the interviews to be undertaken in Phase 3 of the project). This will help identify any gaps and focus our priorities for the rest of the study.

Project management

This project will be led by Helen Connor, the CIHE Director for Workforce Development, and be undertaken by a small team of experienced people, comprising herself, Hugh Smith and Peter Forbes (CIHE consultants), Wendy Hirsh and John Mumford. Others may be recruited also if felt needed. We will also recruit a project assistant to help coordinate the fieldwork. CIHE would have responsibility for overall administration of the project.

The project will aim to start in May 2007 and take approximately 12 months, with a final report delivered in early 2008 and circulated widely.

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May 2007