

Graduate Internship lead to Graduate Jobs: a comparison of case evidence in 2010 & 2012

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Abstract

A graduate level job is the driving force behind the majority of students. In tough economic times, this is increasingly difficult to achieve. This study highlights two distinct graduate internship programmes at two different London Universities to assist graduates secure graduate level employment. Comparative results are discussed with 405 interns, which created initially 60 jobs with anecdotal evidence of many more. Although the final argument is inconclusive, the positive affects, which internships have on graduate employability is discussed together with the benefits internships provide to business. A template for improving graduate employability is suggested.

Context

Securing graduate level employment in triple dip UK recession hit economy is becoming increasingly difficult. With a consistent 9 per cent of graduates unable to secure graduate level employment 6 months after graduating for two successive years, the situation for our graduate community is bleak [1].

Whilst the UK Government of 1997-2007 set ambitious targets to encourage 50 per cent of young people to go to university. This policy of widening participation resulted in an unprecedented increase in student numbers [2]. Although employers are now recruiting more graduates, there are record numbers of graduates chasing these jobs. In some cases as many as 70 graduates are applying for one graduate post [3, 4]. Under the intense pressure to find work, graduates have been forced to accept lower skilled jobs [5].

Graduate Internships are a tactical attempt to expound a solution to the graduate employment problem. This work highlights the case of graduate internships used by two universities'. Although it is no panacea to graduate unemployment, it may provide an insight into improving the prospects for graduate employment.

Method and Results

The study involves the delivery of a graduate internship programme at Thames Valley University (now the University of West London) (UWL) in 2010 and the University of Greenwich (UoG) in 2012.

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In 2010, the author was part of a team, which delivered graduate internships at UWL. The project was funded by the 'Higher Education Funding Council for England' (HEFCE) under the Economic Challenge Investment Fund initiative (ECIF) whose purpose was to 'galvanize the resources and expertise of the higher

education (HE) sector towards countering the impact of the economic downturn on individuals and employers' [6].

The UWL received £560,000 (ECIF) funding for the project in total. This enabled each intern to be paid £1600 for an internship over 6 weeks, a salary which reflected the national minimum wage in the UK.

Graduates were recruited using multiple channels such as the Graduate Talent Pool and UWL websites, referrals from Advisors in the 16 regional London Job Centres. This generated over 1000 applicants in 14 months. The majority of the applicants were profiled as either unemployed or underemployed. Each candidate was briefed and interviewed by UWL staff for eligibility, resulting in a bank of suitable graduates keen to start an internship.

A team of UWL Business Development Managers recruited potential employers keen to engage an intern. There were two phases to this employer recruitment. Initially, the service was provided free of charge to the employer. A second phase required the employer to pay a contribution of £750 towards the cost of the project. This enabled the UWL to claim co-financed student numbers on its statistical return to the HEFCE.

The employers were typically SMEs with a strong emphasis in design, software development, technology and a small number from Charities and the public sector. The employer dictated the intern project.

Interns were then matched with suitable employer projects; interviewed by the employer, then, if successful, offered a 6-week paid. No internship was guaranteed until they received an employer acceptance. At this point the intern could progress to the training.

To match and intern with an employer based on the requirements of the employer, suitability, and often geography of an intern, was challenging to triangulate. As such only 350 progressed to the internship.

All matched interns undertook a 2 week full time training programme at the UWL prior to the period of 6 weeks with an employer. This involved 3 modules over the two weeks on video production, presentation and communication skills and CV preparation.

Although, the primary purpose of the ECIF funded project was to improve graduate employability, it did create 45 jobs with anecdotal evidence of many more. The project ran for 14 months, involved large teams of staff, recruited too many graduates for the employer projects and was resource intensive.

University of Greenwich

In 2012 at UoG the graduate internship programme was a pilot internal project for UoG graduates only to enhance their employability. Interns were recruited through two e-mail shots, sent by the Alumni Association, to all 4500 graduates from the 2011 cohort. 124 expressions of interest were received through the website within 14 days from UoG graduates who were mostly unemployed or had not yet found graduate employment.

This project was part funded by £24,000 of European Regional Development Fund. Interns were not paid for the internship, but received out of pocket expenses.

Intern applicants were invited to choose a project theme from a choice of: marketing research, competitor analysis, social media marketing or a research exercise. These were prescribed by UoG and based on perceptions of employer needs.

The UoG had a pool of employers who had recently participated in a European Funded Business Assistance project who were receptive to re-engage with UoG initiatives. Employers were offered to choose from the same project themes as the interns. This resulted in 65 employers requested interns. They were mostly SME's in software design and development, service sector companies, social enterprises and a small number of charitable or public sector organisations.

UoG provided 5 days of training spread over 5 consecutive Mondays to all the interns. This was aimed at providing the technical knowledge to deliver each of the project themes regardless of degree subject.

Interns were then matched with employers by the 3 administrative staff, by theme and travel distance. Although in some cases interns were prepared to travel considerable distances for what they deemed a 'good project'.

After a successful 'interview' between employer and intern, the project commenced for 4 weeks. Unlike the UWL internship, all the UoG Internships ran simultaneously.

The employer-intern interview was a ratification of the university matching process and not necessarily a selection by the employer, as there was only one candidate. In the majority of cases the employer was satisfied with the outcome.

The UoG project was very focused, enlisted 3 graduates to run the administration plus a small number of specialist lecturers or consultants to deliver the training and created 15 jobs.

Discussion

To what extent therefore do graduate internships improve the job prospects of unemployed or under-employed graduates?

Evidence from these two initiatives suggests that there is a positive relationship between an internship and graduate employment, albeit at a cost. The UWL project was part of the ECIF initiative to address the graduate employability issue at the time of the economic crisis (post 2008). It did result in job creation allowing the funding body to conclude that 'funding for internships during the recession has boosted graduate employment and employability' [7].

Table 1: Comparison between UWL and UoG Graduate Internship Programmes

University	Cost £	Interns placed	cost per placement £	Jobs created	cost per job £
UWL	560,000	350	1,600	45	12,444

UoG	24,000	55	436	15	1,600
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Whilst UWL received a significantly greater funding than UoG, (£560,000 and £24,000) it delivered a larger number of internships than UoG (350 and 55) conversely the unit cost per internship and job creation is radically different (£1,600 and £436). Crude metrics also show the cost per job created (£12,444 at UWL and £1,600 at UoG) are considerably smaller at UoG.

Although it is tempting to focus on the creation of graduate jobs per say, the outcome of these internships would appear to enhance the overall graduate employability.

There is considerable discussion over the relative merits of internships from the employers perspective as it is widely agreed that an interns provide a source of new talent but some question interns are susceptible to exploitation as employers don't always need to pay interns [8]. Of growing concern is phenomenon, reported in the United States, that employers are replacing temporary or contract workers with interns because there is such a demand for jobs and interns will often work for free or very little remuneration [9, 10].

However, it is claimed that whilst employers often exploit internships, they do provide a springboard for graduate careers [9]. Furthermore that most internships tend to take place in larger organisations and are only recently being utilized by SMEs. [9].

In sharp contrast, with both the UWL and the UoG internships the primary employer engagement was with SMEs. As this sector of the economy represents 99.9 per cent of the businesses in the UK economy by number (BIS, 2012) 'They are a vital part of the UK economy and a dynamic, growing SME sector is likely to contribute significantly to future economic growth.

Large businesses contribute just 24 per cent to new job creation, compared to 76 per cent by for small businesses. Of this existing small businesses contribute 44 per cent of new jobs created, whilst new business start-ups contribute 33 per cent [11].

Therefore, SMEs form a valuable sector for graduate employment opportunities. Moreover what is the interpretation of graduate level work or graduate level jobs? A label, which requires further analysis.

Whilst the Higher Education Statistics Agency (HESA) have a series of job markers, which represent a graduate level job where the 'Key Information Set' is coded by SOC codes 1-3, or professional/managerial classification, but there are multiple subsets of the definitions. In synthesis a simple explanation of a graduate job is that there are multiple types of graduate jobs. These are succinctly explained by [12].

- Traditional graduate jobs- established professions for which the route has historically been via a degree (i.e. medicine, law, secondary school teaching)

Graduate Internship lead to Graduate Jobs: a comparison of case evidence in 2010 & 2012

Jerry Allen, Victor Newman

- Modern graduate jobs – newer professions where an undergraduate degree became the norm route of entry around the time of the last period of expansion of higher education (i.e. primary teaching or management)
- New graduate jobs – new areas which are now being covered by undergraduate degrees (i.e. physiotherapy, management accounting, welfare work)
- Niche graduate jobs – occupations where the majority do not have degrees but where there are specialist niche areas where the post-holders do hold degrees (i.e. nursing, leisure management and retail management)

The logic is therefore that SME's are the greatest creator of jobs but do these jobs relate to the interpretation of graduate level jobs?

There are some signs that jobs are being created in the UK economy in the niche areas of technology and innovation. NESTA advocate that 'the government should pay special attention to the small minority of high growth businesses that generate the bulk of job creation and which have shown to be disproportionately innovative' [13].

In this respect the potential growth areas are likely to be fuelled by a highly skilled graduate talent pool. A reflection of the type of employers involved in the graduate internship programmes at UWL and UoG.

In both internship programmes, the employer interest was from, in the main, small businesses that benefitted from an injection of specialist knowledge. Anecdotal evidence indicates that although 45 jobs were created at UWL and 15 at UoG, this represents only a tiny snapshot of the long-term impact of both the training and the graduate experience working with the employers. As such, the longer-term impact of these internships was to improve the graduate employability.

Both internship projects can demonstrate their success stories. At UWL several interns have secured computing jobs in major high tech firms. At UoG interns report:

'Very informative, useful information, I will be using throughout my career'

'It was an intensive project and a good learning experience that gives insight into the real world of employment. It is an experience every graduate should undertake as it prepares you for the real world of employment'

A UoG employer reports:

'Fantastic, I now have 2 interns undertaking paid and voluntary work with me until they find full time employment. They are invaluable and it is a truly mutually agreeable arrangement'.

Despite the fact that a relatively small number of interns in these studies were successful in securing graduate level jobs, the process of participating in post-graduate job specific training and the experience of working with an employer suggests that they are now more employable.

The graduates benefitted from an enhanced CV showing recent and relevant work experience, increased interview practice; multiple attributes, which help them gain a competitive edge in the jobs market.

Conclusions

To what extent internships translate into graduate jobs is therefore inconclusive and perhaps not the principle outcome from these projects. More interestingly it is the positive impact internships have on the graduate in aiding the transition from student to more prepared employee.

The common ingredient in both projects has been the training, the preparation for interview, communication and presentation skills, all key skills to improve the prospects of the candidate present themselves as best fit graduate to an employer.

Although there are success stories here, the evidence is limited to draw any direct connection in the creation of graduate level jobs. Regardless, the projects have made a difference in the lives of these candidates, it has made them more employable and perhaps what is required is a more long-term analysis of their story post internship.

In the employer-university interface, internships do provide benefits to both parties for the employer it forms an opportunity to engage with the graduate talent pool, to try before they buy and undertake short projects beyond the reach of the existing resource base at minimal cost. In turn, the graduate gains valuable work experience, an enhanced CV, knowledge of the graduate work environment and a potential to prove themselves to an employer.

It is precisely because there are mutual benefits to both parties that internships work.

These projects could form a template for other universities to improve graduate employment opportunities and support the smooth transition of graduates into the workplace.

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