

## Booklets in this series

### Operational

1. Time Management.
2. Managing Change.

### Strategic

1. Profiting from your Local Heritage.
2. Networked Learning for Tourism Professionals.
3. Employing Graduates.

# Learning Tourism

EMPLOYING GRADUATES

## Learning Tourism

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### Welcome to Learning Tourism

Learning Tourism is a two-year European Regional Development Funded programme which shares resources at Lancaster University with the wider community.

This series of booklets is just one element in the four activities which the project has outlined.

The others include:

- Free 'bite-sized' small business consultancies to help the company grow;
- An interactive website, for the tourism industry to use - <http://www.learningtourism.lancs.ac.uk>
- Action Learning sets - essentially business clubs - will help like-minded business professionals come together in a relaxed forum to discuss issues from business rates, through to purchasing power, decoration tips, to menu alterations.

To find out more about how you can get involved please call  
**Tara Sewell or Alan Heywood** on  
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You can send any thoughts, suggestions or criticisms about this series of booklets back to the team:

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Thank you for your comments.

### **Selection**

Of course, while graduates may be useful, they are not all equally good. How do you spot the better ones? Here are some tell-tale signs that a graduate applying for a job may be ready to make a rapid contribution to a small firm:

- work experience in a placement, gap year or during their university vacation;
- ability to convince you that they have learned as well as earned from their work experience;
- contributions to, or leadership of, events or societies in their university or social lives;
- an ability to explain how the skills or knowledge from their degree might be usefully applied to your firm;
- track record of learning new things and mastering them quickly.

### **Signposts**

Federation of Small Businesses (2000) *Barriers to survival and growth in UK small firms: report to the Federation of Small Businesses.*

<http://www.fsb.org.uk>

Williams, H. and G. Owen (1997) *Recruitment and utilisation of graduates by small and medium sized enterprises.* Department for Education and Employment, Research Report No. 29

### **About the authors**

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**Could graduates give your business an edge?  
How to spot the better graduate  
applicants for jobs.**

**How university graduates are getting  
better for business.  
What graduates can be expected to do.  
Your concerns are answered.**

**In this paper Luke Pittaway and Gordon Clark  
investigate how a graduate can help you and your  
business grow and they examine and discuss  
the highs and lows of ...**

### **EMPLOYING GRADUATES**

Small and medium-sized firms (SMEs) dominate the tourism and leisure sectors, and this group also contains the big firms of the future. Such firms also create jobs more quickly than larger firms. Most firms want to grow – 66 per cent of them in a recent survey by the Federation of Small Businesses (2000). Could employing more graduates help SMEs achieve this?

We know that only 8 per cent of the employees of SMEs are graduates whereas 13 per cent of the UK population have a degree; so graduates are under-represented in the SME work force. We know from both the survey by Williams and Owen (1033 firms) and the one by the Federation of Small Businesses (22,000 firms) that the very smallest firms (with under ten staff) employ the fewest graduates, whereas the larger the firm the more open to taking on graduates they are. Firms outside the London-Manchester axis and outside the finance, business services and manufacturing sectors are also less likely to employ graduates. We also know that 47 per cent of the firms the Federation surveyed were dissatisfied with the quality of the staff they recruited, especially in terms of their literacy and numeracy.

The question is this: could employing more graduates help SMEs become more competitive, and if there are drawbacks to recruiting graduates, how might these be overcome?

### **SMEs' views of graduates**

The two surveys show that few SMEs are opposed in principle to employing more graduates; they see graduates as potentially better at communicating ideas, more IT literate and full of ideas. However, they also see them as unlikely to stay long in jobs the employers see as not suitable for graduates, as lacking work experience and as requiring too high a salary. Those employers who are not themselves graduates may often feel uncomfortable at the prospect of employing graduates.

### **Changes at university**

However, things are changing. The universities (which now educate nearly 35 per cent of school leavers, a figure forecast to rise soon to 50 per cent) are making graduates more suited to real-world work. All subjects, through their 'benchmark statements', now explicitly talk about the general skills they expect their students to have (as well as the knowledge of their subject they will have acquired). All departments now have plans (called 'programme specifications') setting out how they are going to nurture those skills and assess their students' mastery of them. University education is about general skills as well as subject knowledge. These skills will include clear writing for various audiences, oral communication skills, teamwork, problem solving and time management.

Today's students should have been taught in ways that fit them better for work and they should be aware of their new skills. In short, they should be better employees from Day One.

### **The benefits of graduates**

What extra benefits can you broadly expect from recruiting graduates rather than school leavers? This checklist summarises what you can expect them to be able to do.

- ✓ Think on their feet.
- ✓ Bring ideas into your business from unrelated fields.
- ✓ IT skills.
- ✓ Fresh ideas to counterbalance their lack of front-line experience.
- ✓ Learn quickly.
- ✓ An ability to work in teams.
- ✓ An ability to work on individual projects on their own without constant supervision.
- ✓ Ready for responsibility to come up with solutions to problems. The more you give them, the more likely they are to stay.

Some will be better at these than others; there will be exceptions; but overall there are clear business benefits from employing graduates, if nothing else by saving you time.

### **Work experience**

But what about graduates lacking work experience? Today, with grants a thing of the past, most students will have worked, either during a gap year between school and university or during the (helpfully?) long university vacations. They should be able to convince firms that they realise the importance of self-discipline, time keeping, customer service and a focus on the task in hand. In that sense the growing indebtedness of recent graduates (now estimated at an average of £10,000 each) has perhaps focused recent graduates' minds powerfully on the need to find and hold down a job.

### **Salary**

But what about graduates wanting too high a salary? The issue here is the balance between experience and contribution. A lower salary during a probationary period may be appropriate while they learn the ropes. One can advertise that progression of salary, to a more competitive level, is subject to earning it (in effect, payment by results). This both incentivises the new employee to boost the firm, and ensures that a higher salary is no more than a fair share of increased turnover.