



GO Wales
Evaluation of
Phase II

Final Report

July 2007

Contents

Executive Summary.....	2
Details of the Study.....	2
Context.....	2
Delivery Lessons.....	4
Strategic Focus and Alignment.....	5
1. Introduction.....	7
1.1. Overview.....	7
1.2. Study Aims and Objectives.....	7
1.3. Our Method.....	8
1.4. Equal Opportunities.....	9
1.5. Funding and Management.....	9
1.6. Services.....	9
2. Context.....	11
2.1. Introduction.....	11
2.2. Economic Context.....	11
2.3. Graduate Labour Market.....	13
2.4. Skills and Higher Education Policy.....	15
2.5. Conclusions and key issues for the GO Wales programme.....	15
3. Research Findings and Impact of the Programme.....	18
3.1. Introduction.....	18
3.2. Graduate Migration (retention and attraction).....	18
3.3. Stimulating employer demand for graduates and employability.....	22
3.4. Wider Impact.....	24
3.5. Summary.....	25
4. Research Findings and Programme and Strand Delivery.....	26
4.1. Background.....	26
4.2. Programme Management.....	26
4.3. Summary.....	31
5. Conclusions and Recommendations.....	32
5.1. Conclusions.....	32
5.2. Recommendations.....	33

Executive Summary

Details of the Study

GO Wales is a major graduate employability and retention programme which aims to increase the number of graduates employed in Welsh businesses and increase productivity and the economic wealth of the country. The focus of activity is on undergraduates and graduates from Welsh universities and Welsh small and medium sized companies. The main strands of activity are work experience (placements and tasters) and Continuing Professional Development (CPD).

The study is an evaluation of Phase II of the programme which operated from April 2005 to December 2006. The evaluation is based on a number of evidence sources, including: existing beneficiary feedback collected by GO Wales; beneficiary surveys undertaken as part of the study; and consultations with GO Wales' staff. The study was designed to assess the impact of the GO Wales programme on the demand for graduates, graduate employability, and graduate retention, and to identify significant issues which impact on the future development and design of the programme.

Context

Earnings in Wales are below the UK average, largely as a result of an occupational mix with relatively few higher paid senior management and professional roles¹. For comparable jobs, earnings in Wales are similar to other parts of the UK. This partly reflects the history of the Welsh economy, and in particular the higher than average representation of Small and Medium Enterprises (SMEs); SMEs are less likely to employ people in higher paid, higher skilled occupations. To improve its performance, the Welsh economy needs more SMEs to be employing graduates; at present, around two thirds of Welsh employers do not recruit graduates.

The availability of skilled local labour is increasingly important for inward investment and there are a number of examples of economic success stories in Wales which have been partly based on substantial inward investment – for example, Flintshire/Wrexham. To support this type of development in other areas of Wales is likely to require the development of a higher skilled workforce.

The recent Leitch Review of UK Skills sets out the scale of the challenge for the UK economy in terms of the need to upskill the workforce. The Leitch projections show that by 2020, the proportion of jobs at Level 4 and above is expected to reach 42% of the workforce, compared to 30% today. To achieve such a step-change in higher level skills development requires far more effective employer engagement - businesses will only upskill their workforces and take on more graduates if they see a clear business benefit.

In light of the economic background, there is a need for Wales to stimulate demand for graduates and to retain a higher proportion of graduates in Wales (and/or attract more graduates to Wales). The main challenges in relation to increasing graduate employment in Wales are as follows²:

¹ From Wales a Vibrant Economy

² Based on findings from the IES Report, Welsh Graduates and Their Jobs.

- Graduates often believe they need to work in larger employers to have satisfying and well paid careers and fail to recognise the potential benefits of working for smaller employers, such as working across business functions and taking on high levels of responsibility early on in their career. A change in attitude is required.
- Wales is an attractive location for graduates in terms of work-life balance, but the lack of awareness of what the Welsh economy can offer means that potential benefits are not fully exploited.
- A large number of Welsh SMEs do not perceive any benefit from employing graduates.

Programme Impact

The Programme shows SMEs how they can benefit from employing graduates and stimulates demand for graduate labour

The Work Placement strand has the greatest potential for stimulating SME demand for graduates. In the employer telephone survey conducted for the study, 68% of employers felt that the experience of providing a work placement had positively influenced their attitude towards employment of graduates in their company. Of company respondents, 32% of those that had offered a placement said that prior to engagement with GO Wales they were unlikely to have recruited a graduate. Of these respondents, the vast majority said that following engagement, they were more positive about employing graduates in future.

These positive findings on changing employer attitudes to graduate recruitment reflect the benefits that accrue to employers from the placements. The survey also shows that the programme has helped a significant proportion of employers gain access to new skills – 70% of respondents stated that the programme had brought ‘new skills to the company’.

The taster strand is also having a positive impact on employer perceptions of graduate worth. Tasters provide an opportunity for employers to ‘test’ a graduate with a lower level of time commitment to that involved in a placement. The telephone survey of individuals who had participated in a taster found that for almost half of the respondents, the taster had led on to a placement, and for almost a quarter, to an employment offer.

The programme helps graduates to develop the skills that SMEs need (a further stimulus to employer demand for graduates)

There is evidence that work placements have impacted positively on graduate employability, in particular, through development of soft skills. When individual beneficiaries were asked to identify which core skills were developed during their placements, 85% cited ‘communication’ skills, 72% ‘problem solving’, and 72% ‘team working’. Survey evidence (e.g. the National Employer Skills Survey, NESS) indicates that these are the skills that employers often report as lacking in graduates.

As stressed in the Cox Review of Creativity in Business, graduates from all disciplines need to develop commercial awareness and an ability to understand how to commercialise new ideas. ‘Commercial awareness’ was identified as a skill developed by 48% of survey respondents.

There is also evidence from the survey of employers that benefited from CPD funding that the subsidy allows companies to source better quality and more relevant training which increases the value of graduate employees.

The programme helps to retain graduates in Wales

The placement strand is having a positive impact on graduate retention. Following a placement, a significant proportion of individual beneficiaries are more positive that their career aspirations can be met by working in a Welsh based SME. Almost half (44%) of the survey respondents stated that the placement had positively impacted on both their perception of working in an SME and of career opportunities in Wales.

The positive impact is most clearly demonstrated by the very high proportion of placements which lead to an employment offer for the individual. The beneficiary feedback data collected by GO Wales shows that 41% of individuals who completed a placement were subsequently in full-time employment with the same company.

The CPD strand is based on the premise that training will help graduates to develop their skills and value to the company, and employers will recognise this and develop the role of graduates, leading to increased job satisfaction and retention. The positive impact of CPD on graduate retention in Welsh employers is confirmed by findings from the telephone survey of CPD graduate beneficiaries, with 63% of respondents stating they were more likely to remain with their current employer as a result of the training.

Subsidised training is especially important for smaller firms. Just one employer, from a sample of 25, stated that they would have provided the training part-funded under the CPD strand anyway. This confirms the view of many GO Wales staff consulted that a large number of smaller firms would not be able to fund training without the subsidy offered. In other words, the CPD strand appears to offer a high degree of additionality.

The Programme enables high quality employer engagement

To increase innovation, stronger links are required between HEIs and employers. GO Wales provides an entry point for universities to engage businesses. Initial contact needs to result in tangible strategies for deepening relationships and there is a strong sense from GO Wales' staff that the programme can contribute to this. For example, placements are seen as an effective way of engaging employers and helping them to identify the suitability of other university programmes, such as Knowledge Transfer Partnerships (KTPs). There is some evidence that this is happening, but there is scope for closer links between HEI departments to make the most of the high quality employer engagement that GO Wales facilitates. For example, one of the GO Wales staff consulted noted that the process of linking with and setting up a KTP can be lengthy.

The survey feedback suggests that GO Wales is having a positive impact on forging stronger links between businesses and their local HEI. For example, 68% of the respondents of the employer postal survey that engaged with the Taster scheme stated that it had helped develop useful links with their local university.

Delivery Lessons

The local focus of the programme results in highly effective delivery

There is consensus across beneficiaries (employers and graduates/undergraduates) that delivery of programme strands is highly effective. The local delivery focus addresses the need for students to receive information which is specific to opportunities available in their locality. Local delivery also aids employer buy-in, and the research uncovered a number of innovative marketing techniques for engaging employers at the local level. In future

stages of the programme, there is a need to consider if more of the marketing budget should be allocated locally.

In future, major disruption to funding flows should be avoided if possible

The current phase of the programme (Phase III) is significantly less well funded than Phase II and this has resulted in a significant scaling back of services, reduced staffing capacity and requiring changes to eligibility criteria to ration available funds. There is a concern amongst GO Wales' staff that this could lead to a reduced level of employer engagement with the programme. The telephone survey findings hint at some employer concerns with the reduced capacity – with for example, one employer noting the loss of a specific member of staff as being a problem. In future, it would be preferable to smooth funding over time, so as to avoid a loss of continuity due to forced changes to staffing and eligibility criteria.

More could be done to leverage the high quality employer engagement that GO Wales enables

GO Wales enables high quality employer engagement and the programme should consider how this could be further leveraged. The report identifies two potential routes:

- Strengthening referral mechanisms. Currently, there appears to be some variation by geography in the extent to which the referral process works effectively (GO Wales to business support agencies and vice versa). Developing referral systems is particularly important in more rural areas, especially as engaging companies in these areas can be difficult. There is evidence in some areas of the effectiveness of referrals in stimulating demand for CPD and placements – for example, via the Pembrokeshire Business Initiative.
- Stronger links between HEI departments. It is important that HEI departments have effective links to facilitate deepening of employer relationships (e.g. a placement might lead on to an employer utilising other university services, such as Knowledge Transfer Partnerships). In one HEI interviewed as part of the research, the work experience strand is run out of the university enterprise team, rather than through the careers service. The potential advantages of this model should be assessed.

The findings highlight some examples of best practice in delivery arrangements which should be disseminated to GO Wales' staff

In particular, there is evidence that the impact of placements on skills development and general satisfaction with the placement are enhanced by regular employer feedback on performance and ongoing support from the placement organiser.

Strategic Focus and Alignment

HEFCW needs to make some important decisions about the strategic focus of GO Wales and its alignment with various policies, to inform the development of future phases of the programme

To ensure maximum impact from future phases of GO Wales, HEFCW needs to provide clear guidance on a number of strategic issues, as follows:

- The appropriate balance between volume and quality, to ensure that appropriate targets and incentives are developed. The Leitch Review highlights the need for

GO Wales to ensure a continued flow of 'volume' opportunities for graduates to stimulate cultural change within SMEs. This needs to be balanced with the quality of opportunity - to ensure that the GO Wales interventions are long lasting and have maximum benefit. There is evidence from the research that a focus on quality results in greater impact (e.g. tasters).

- The appropriate balance of focus between companies with limited or no experience of graduate recruitment, and those with experience. Engaging those with limited experience of graduate recruitment helps to stimulate employer demand for graduates – a clear priority for the Welsh economy. However, there are also significant potential benefits from deepening relationships with established graduate recruiters, particularly in terms of retaining higher skilled graduates in Wales.

HEFCW also needs to consider the extent to which GO Wales could be:

- Used more proactively as a tool to respond to spatial disparities and economic development. The programme could for example, provide higher levels of subsidy to employers in more deprived areas, to reflect the greater challenge of engagement.
- Developed to more proactively support inward investment initiatives.
- Linked more seamlessly into more sophisticated HEI services, such as Knowledge Transfer Partnerships.

1. Introduction

1.1. Overview

EKOS Consulting (in collaboration with Wavehill Consulting) was commissioned by the Higher Education Funding Council for Wales (HEFCW) to conduct an evaluation of Phase II of the Graduate Opportunities Wales (GO Wales) programme. Phase II of the programme ran between April 2005 and December 2006.

GO Wales is a major graduate employability and retention programme, the overarching aim of which is to increase the number of graduates employed in Welsh businesses and increase productivity and the economic wealth of the country. The programme is delivered through all the Higher Education Careers Services in Wales and is managed by the Higher Education Funding Council for Wales. The focus of activity is on undergraduates and graduates from Welsh universities and those from other institutions who are domiciled in Wales, and Welsh small and medium sized companies. The programme has five strands (described below in section 1.5) and each strand contains a range of services. Key elements of the programme include student and graduate work placements (generally lasting for ten weeks) and support for graduates working in Welsh SMEs to undertake Continuing Professional Development (CPD).

The economic and policy context in which the programme operates is set out in Chapter 2. This chapter sets out the implications of the Wales a Vibrant Economy (W:AVE)³ strategy for graduate employment and some of the key issues around the graduate labour market in Wales, drawing on a recent report into this area by the Institute of Employment Studies⁴.

The evaluation was designed to assess the impact of the GO Wales programme on graduate retention and employability and to identify significant issues which impact on the future development and design of the programme. Chapter 3 summarises the research findings regarding the impact of the programme, Chapter 4 the findings with regard to programme and strand delivery, and Chapter 5 sets out conclusions and recommendations for future development.

1.2. Study Aims and Objectives

The Invitation to Tender describes the aims of the evaluation study as assisting HEFCW to:

- Develop an understanding of which parts of the programme have been successful and why.
- Begin to measure the impact of the GO Wales Programme on company and individual beneficiaries.
- Identify possible areas for improvement in future phases of the Programme⁵.

³ W:AVE is the current economic strategy for Wales published by the Welsh Assembly government.

⁴ Welsh Graduates and Their Jobs, Employment and Employability in Wales, Institute for Employment Studies.

⁵ Phase III of the Programme is currently underway and will end in December 2007. Phase IV will commence in January 2008.

The brief sets out a requirement for detailed and insightful analysis of existing beneficiary feedback, partner consultation, and primary research, from which the implications for the future development and sustainability of the programme can be identified.

1.3. Our Method

The evaluation draws together a number of primary and secondary data sources to provide a comprehensive review of the programme. The evidence base for the study was developed as outlined below⁶:

- **Feedback Analysis** - GO Wales provided feedback forms from employers and individuals for analysis of the work placement, Continuing Professional Development (CPD) and e-mail guidance strands of the programme. For the work experience strand, a total of 1,452 responses were analysed (676 from employers and 776 from individuals). For the CPD strand, 186 responses were analysed, and for the e-mail guidance system, 114 responses. This stage led to a detailed data analysis paper which is attached as Appendix 1.
- **Partner Consultation** – A total of 17 partner consultations were undertaken (16 face-to-face and 1 by telephone), 15 of which were with GO Wales staff and 2 with careers services staff. Staff across a range of roles, higher education institutions, and programme strands were consulted, to give a full range of views.
- **Postal Surveys** – Postal surveys were sent to 700 individuals and 400 companies. The response rate was 10% for individuals and 16% for employers. These response rates are disappointing and the results do not support generalisation, but do provide some interesting insights. The postal surveys were designed to gather feedback on strands where existing information was limited – in particular, work tasters and advice and guidance. Detailed analysis of the responses is in Appendix 2.
- **Telephone Survey** – A total of 175 telephone interviews were completed (75 with employers and 100 with individuals). For employers, 25 surveys were completed for three of the core strands (CPD, work tasters and work placements), and for individuals, 25 surveys were completed for four of the core strands (CPD, work tasters, work placements, and advice and guidance). For each beneficiary/strand combination, a separate interview topic guide was developed, giving seven topic guides in total. Each was designed to allow more qualitative and open responses than the postal survey questionnaires. Analysis of the telephone survey responses is also in Appendix 2.

Wavehill Consultancy is a Welsh based company with Welsh language capability. Paper survey questionnaires were provided in Welsh/English and telephone respondents were given the choice of conducting the interview in Welsh or English. Overall, 20 postal surveys and nine telephone surveys were conducted in the medium of Welsh.

Key messages and common themes identified from the four stages of the analysis have informed the overall research findings on programme impact (Chapter 3), programme and strand management (Chapter 4), and proposals for the future development of the programme (Chapter 5).

⁶ Examples of surveys and topic guides are included as an Appendix.

1.4. Equal Opportunities

The GO Wales programme has a bi-lingual website and makes marketing materials, information and registration facilities available in English and Welsh. It has developed a number of products specifically designed to meet the needs of disabled students, including the disability knowledge network and email newsletters. The programme has achieved its targets for the number of disabled beneficiaries.

1.5. Funding and Management

The GO Wales programme is managed by HEFCW and during Phase II, some administrative responsibilities were devolved to 'lead bodies' (for example, Swansea University was the 'lead body' for the Work Experience strand). The Welsh Higher Education Careers Services were the main delivery partners for GO Wales' services.

GO Wales draws together funds from the Welsh Assembly Government, European Social Fund (ESF), and private funds. Total project costs for GO Wales Phase 2 are likely to be in the region of £10.3m in both the Objective 1 and non-ESF areas. This includes the following contributions: £3.3 million of ESF funding for the Objective 1 area; £3.48m from HEFCW; £2m public match funding in kind from HEI partners across Wales; and private match funding from SMEs of £1.7m.

1.6. Services

GO Wales provides a range of services to support graduates, students, and small and medium sized businesses in Wales. Services are grouped into five strands which each contain a range of services. A summary is shown below.

GO Wales Services Summary

Strand 1: Work Experience

Work Placements involve a student or graduate working in a company for around ten weeks on a specific project. The most common types of projects undertaken are ICT based, for example, website or marketing database design/development.

Work Tasters provide graduates / students with the opportunity to learn about a specific occupation or sector. The tasters are generally a shorter period of work experience (sometimes just one day) and do not involve any salary/subsidy. GO Wales' role is to match students to suitable tasters and help companies scope the Taster.

Strand 2: Continuing Professional Development (CPD)

GO Wales provides up to £500 for graduates employed in SMEs towards training and development. Any type of course can be funded provided that there is a business case. Employers are expected to match fund the GO Wales contribution.

Strand 3: Additional Information, Advice and Guidance

Additional information, advice and guidance services are available for students who may face additional barriers to entering the labour market such as disability. Services provided include CV checks, mock interviews, and newsletters.

Strand 4: E'ployability

This strand provides web-based resources and learning materials which include: the Networked e-Guidance Exchange System (NEGES) through which students can submit careers related questions by email; an on-line reflective diary for work experience; and disability knowledge network and diversity briefings.

Strand 5: Employment Support

The GO Wales website offers businesses based in Wales free advertising of graduate opportunities (the GO Wales jobs service). The Job Shop service helps students find part time and temporary employment in different sectors including retail, hospitality, marketing and promotions, administrative work and translation.

2. Context

2.1. Introduction

This chapter sets out the key policy drivers for GO Wales and considers the major policy issues that GO Wales can address. It covers economic context and spatial issues, graduate labour market issues, and the role of higher education institutions in supporting economic development. A final section summarises how the developing policy context might impact on GO Wales and the future structure of the programme, highlighting some key issues for the evaluation to consider.

2.2. Economic Context

2.2.1. Need for Higher Skilled Jobs

W:AVE sets out a vision for a vibrant Welsh economy which is delivering strong and sustainable economic growth and opportunities for all citizens. Its analysis of the GVA per head gap between Wales and the UK as a whole⁷ attributes around: 60-70 per cent of the gap to lower average value-added per job; 20-30 per cent to a relatively low employment rate; and 10 per cent to an above average proportion of the population being outside the normal working age range. This analysis underpins the identification of two priorities for the Welsh economy:

- To increase employment further, so that over time, the Welsh employment rate matches the UK average.
- To raise the quality of jobs, so that average earnings increase and close the gap with average UK earnings.

For Wales as a whole, the second priority is clearly very important, given the high proportion of the GVA/head gap which it accounts for. Analysis in W:AVE indicates that the lower average earnings (value added per job) in Wales compared to many other parts of the UK is largely the result of Wales having an occupational mix with relatively fewer higher paid senior management and professional roles⁸. For comparable jobs, earnings in Wales are actually similar to other parts of the UK⁹. W:AVE notes that this partly reflects the history of the Welsh economy, and in particular the higher than average representation of Small and Medium Enterprises; SMEs are less likely to employ people in higher paid, higher skilled occupations.

W:AVE makes the point that the need for higher skilled jobs is not just about the 'new economy', but also businesses in traditional sectors, such as agri-food, where higher skilled workers, innovation, and exploitation of new technologies can deliver significant productivity improvements. W:AVE does define nine key sectors that are important to the future success and development of the Welsh economy¹⁰, although it notes that this list is

⁷ GVA per capita in Wales is around 80% of the UK average.

⁸ The proportion of employees in managerial / senior official occupations in Wales is just over 11% compared to around 13% for the UK (excluding London and the South East) and just over 14% for the UK overall.

⁹ See W:AVE page 43

¹⁰ The nine key sectors are automotive, aerospace, agri-food, high-technology (Software and IT Services), bioscience (pharmaceuticals and bio-chemicals), financial services, creative industries, construction, hospitality, leisure and tourism and social care.

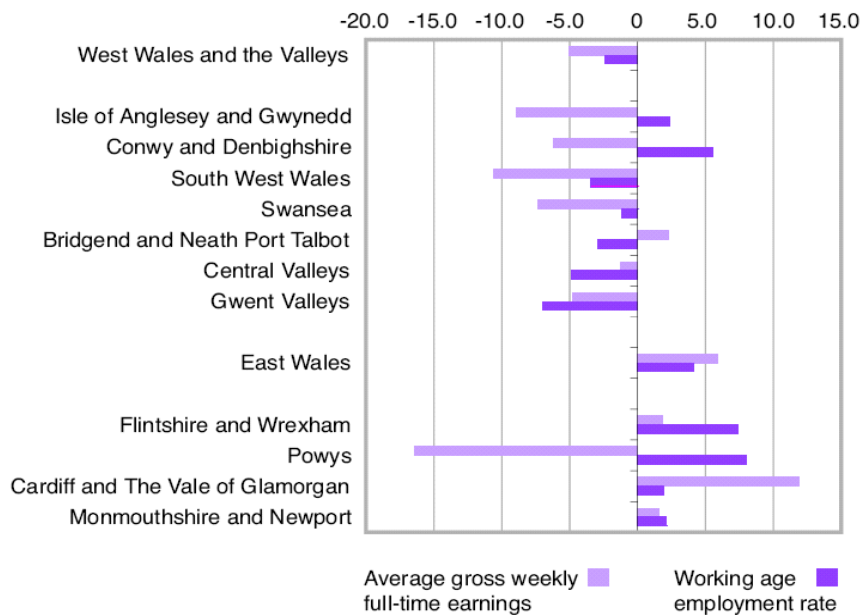
not definitive and other sectors may also be important for targeted support. This suggests that policies to upskill the workforce and support innovation should generally not be focused on a narrow definition of sectors, but rather on high growth potential businesses within any sector.

However, there may still be cases where skills programme resources are focused on growth sectors of strategic importance (e.g. sustainable energy production technology), as the need to retain and develop a small pool of people with the necessary skills and qualifications is vital for the success of sector. This is recognised in A Science Policy for Wales¹¹ (2006), which sets out a requirement for Wales to focus its immediate efforts in science on three areas of relative strength: health/life sciences; low carbon economy; and sustainable economic and social regeneration.

2.2.2. Addressing Local Priorities

The Wales Spatial Plan: People, Places, Futures, highlights the different economic challenges facing areas of Wales and the need for a policy response which is tailored to local need. Differences in full-time earnings and the employment rate are marked across Wales. A number of areas have a significant earnings and employment rate gap with the Wales average. This is shown in the figure below.

Full-time earnings and employment rate, percentage difference from Wales average¹²



Sources: Annual Survey of Hours and Earnings and Local Labour Force Survey

Employment and average earnings in the non-Objective One East Wales are generally higher than the majority of South West Wales and the Valleys. In North and North West Wales the employment rate exceeds the UK averages significantly, but earnings are relatively low. The need for targeting of programmes and resources to upgrade the quality of employment opportunities in low earnings areas is stressed in W:AVE, to ensure that

¹¹ A Science Policy for Wales 2006. The Welsh Assembly Government’s Strategic Vision for Sciences, Engineering and Technology.

¹² From W:AVE, p26

available opportunities “match aspirations of the highly qualified, who might be natural candidates for emigration”. The Wales Spatial Plan notes that a number of communities in Wales face significant challenges around ageing populations, with areas such as the upper South Wales Valleys and Neath Port Talbot seeing falling birth rates, low inward migration, and outward migration of young people.

As described in W:AVE, the rate of economic growth since the 1980s has varied quite significantly, reflecting relative successes in attracting new industries to replace the loss of jobs in the primary and manufacturing sectors. The success of Flintshire/Wrexham has been partly based on the attraction of key large employers, notably Airbus at Broughton, and the successful development of a European-scale business park at Deeside. To support this type of development in other areas is likely to require the development of several critical success factors, including a more highly skilled workforce. As W:AVE puts it:

“It is increasingly apparent that large employers will only be attracted to an area if the fundamentals for growth are right – notably the strength of the skills base, the technology base, and the quality of the local transport and inter-regional communication systems and other economic infrastructure.”

The importance of skills as a key determinant of company location is backed up by survey evidence. The Cushman & Wakefield Healey & Baker survey¹³ of UK companies shows that companies rate skills as the second most important factor (just behind access to markets) in determining their location decisions.

2.3. Graduate Labour Market

At undergraduate level, there is a net in-flow of students in Wales - 18,000 Welsh students study in England, and 25,000 students in Welsh HE come from outside Wales (mainly from England). At graduate level, there is a net loss of around 23% between the number of graduates employed in Wales six-months after graduating and the number of graduates produced (which is similar to other English regions, except London and the East of England). Overall, Wales has a retention rate of 59%.¹⁴

The analysis contained in W:AVE indicates that to achieve greater prosperity, Wales needs to create more graduate jobs and to retain/attract graduates to fill these positions. This section discusses some of the issues involved.

2.3.1. Retention and Attraction of Graduates

In 2005, HEFCW commissioned a study by the Institute of Employment Studies into the labour market experiences of Welsh graduates¹⁵. The report showed that as with the majority of English regions, Wales is a net exporter of graduates – Wales tends to ‘lose’ its graduates to its neighbouring areas and also to London. Further more in-depth analysis in the report shows that there are reasons to be concerned about graduate migration patterns. In particular:

- The majority of students who live in Wales prior to their higher education and who then study in Wales remain in Wales after graduation (85%). However, those who do leave are more likely to have first class degree classifications and/or postgraduate qualifications.

¹³ Cushman & Wakefield Healey & Baker, European Cities Monitor 2005

¹⁴ IES Report, p72

¹⁵ Welsh Graduates and Their Jobs, IES

- Two thirds of students who live in Wales prior to entering higher education but who study outside Wales do not return to Wales to work. Again, those with higher first degree classifications and with postgraduate qualifications are less likely to return.

Earnings potential and depth of employment opportunities are significant factors in graduate decision making regarding location, and as with many regions of England, the higher paid opportunities available in London and SE England (for example in the financial and legal sectors) are a strong pull for highly qualified Welsh graduates. Within Wales, graduate migration patterns are influenced by different factors according to location. For example: all areas outside Cardiff face stiff competition from it for graduates; Cardiff itself faces competition from Bristol, one of England's best performing cities; and Bangor and North Wales see competition for graduates from Liverpool and Chester/Cheshire.

The IES report notes that graduates often believe they need to work in larger employers to have satisfying and well paid careers and do not recognise the benefits of working for smaller employers, for example, the potential to work across business functions and to be more entrepreneurial. The importance of overcoming this barrier to graduate employment is stressed by the report.

Quality of place considerations also play a part in graduate decision making regarding location and this is an area where Wales has considerable natural advantages. The IES report recognises this but notes that a lack of information on opportunities available in Wales constrains this potential benefit.

2.3.2. Stimulating Demand for Graduates and Graduate Employability

Although Wales is seen as a leader in approaches to graduate employability in HEIs, graduates have yet to gain a strong foothold in many Welsh companies. At present two thirds of Welsh employers are not graduate recruiters, reflecting the strong SME base and evidence that many of these companies do not perceive the benefits of graduate recruitment. The IES report notes that:

“Despite the best efforts of careers services, a large proportion of Welsh employers still have little or no contact with HEIs and do not see any benefit in employing graduates.”

Continuing to develop stronger links between employers and HEIs will therefore be a key priority for GO Wales to stimulating demand for graduate employees. The IES Report states that:

“Despite building strong relationships with some key employer groups, e.g. larger and public-sector employers, partnerships with smaller, private-sector employers are proving difficult to develop. Given that the majority of Welsh businesses with the potential for becoming graduate recruiters in the future are smaller, private businesses, there is still work to be done”.

The IES report noted a lack of research available to HEI career services, GO Wales and business support organisations to really demonstrate the business benefits that graduates can bring to sceptical companies. GO Wales has developed materials to address this and through Work Placements and Tasters, has developed a direct route to inform employers about the potential benefits of graduate recruitment.

2.4. Skills and Higher Education Policy

2.4.1. Third Mission Activities

Higher education third mission activities include a range of activities which are separate from teaching and research and support economic development – for example, innovation and knowledge transfer activities, and engagement with employers to ensure that graduates have the skills that businesses need. The employability agenda has increased in importance in recent years following perceptions that graduate skills are often not well matched to employer needs, and considerable effort has gone into mainstreaming employability within the higher education curriculum in Welsh universities.

2.4.2. The Leitch Review of UK Skills

The importance of skills as an increasingly significant driver of economic competitiveness is highlighted in the Leitch Review. Leitch sees a skilled labour force as crucial if a country is to compete in an increasingly open global economy, to counterbalance strong emerging economies with increasingly skilled workers but significantly lower costs. In such an environment, the implication for many companies in developed countries is a need to become innovators, developing value-added products which are not easily replicated by lower cost economies¹⁶.

As the Leitch report puts it:

“Productivity is increasingly driven by skills. Skilled workers are better able to adapt to new technologies and market opportunities. Higher levels of skills drive innovation, facilitate investment and improve leadership and management. For innovation to be effectively implemented, businesses must be able to draw on a flexible, skilled workforce”.

The scale of the challenge for the UK economy is starkly set out in the Leitch report, which shows projections of employment in the UK by qualification level. The Leitch projections show that by 2020, the proportion of jobs at Level 4 and above is expected to reach 42% of the workforce, compared to 30% today. The Leitch report stresses that to achieve this step-change in higher level skills development will require far more effective employer engagement - businesses will only upskill their workforces and take on more graduates if they see a clear business benefit.

To address additional investment needs for intermediate and higher level skills, Leitch suggests that employers and individuals should make a greater contribution to the cost of skills development. A careful assessment of the practicality of this in Wales will be required; it is possible that too rapid a shift towards employer and individual funding could damage efforts to stimulate demand for higher level skills in SMEs.

2.5. Conclusions and key issues for the GO Wales programme

This final section draws out a number of conclusions regarding the potential contribution of GO Wales to the future economic development of Wales and the key issues this raises for the evaluation. Conclusions are discussed around three themes:

- Increasing the volume of graduate jobs in Wales.
- Increasing retention/attraction of graduates in/to Wales.

¹⁶ This pressure has already been recognised in Wales, with the W:AVE strategy stressing the economic threat from emerging economies such as China and India.

- Knowledge economy and economic development.

2.5.1. Increasing the Volume of Graduate Jobs in Wales

The Welsh economy needs more graduate jobs to increase prosperity and many of these will need to be generated within small and medium enterprises.

GO Wales can contribute to this need by:

- Highlighting to graduates the opportunities available in Welsh SMEs and challenging and changing the common perception of graduates that they need to work in a large company to achieve their career goals.
- Highlighting to employers the benefits of employing graduates and stimulating demand from SMEs for graduates.
- Facilitating opportunities for graduates to 'test out' an SME and vice versa.
- Helping graduates to develop the skills that SMEs need.

A key point here is that graduate employability and the demand for graduates from small firms are inextricably linked. If smaller employers who are not traditional graduate employers see graduates as being ill-prepared to meet the challenges of working in a small business, they will not employ them. The evaluation assesses the contribution of GO Wales to date on graduate employability and its potential to increase impact in Phase IV of the programme.

2.5.2. Increasing Retention/Attraction of Graduates in/to Wales

The Welsh economy as a whole needs to retain a higher proportion of its graduates, and particularly, its most highly skilled graduates.

Currently, GO Wales is targeted primarily at retaining graduates of Welsh HEIs in Wales, by providing information about opportunities in Wales and opportunities for them to 'sample' these first hand as part of a taster or placement. It also provides CPD opportunities which help graduate employees to increase their impact on their employers business and develop their career, making it more likely that they will remain in Wales.

There would appear to be scope to expand the programme to engage graduates working outside Wales (initially those who have lived in Wales previously). The W:AVE strategy makes clear the need for economies to be increasingly outward focused and capable of exploiting innovations developed elsewhere. Graduates choosing not to return to Wales represent a currently un-tapped market for the GO Wales Programme.

There would appear to be potential for GO Wales to do more to stem the loss of high achieving graduates, by for example, establishing closer links with other university departments and programmes such as Knowledge Transfer Partnerships.

It is particularly important that areas of Wales with low average earnings are supported to retain more graduates.

One of the key elements of GO Wales is that it is delivered locally and can be tailored to meet local circumstances. Some areas of Wales struggle to retain young graduates as there is a perception of limited opportunities and low earnings relative to larger Welsh cities or outside Wales. GO Wales could potentially play a greater role in supporting these areas to retain higher skilled young people, by stimulating employer demand for graduates

and linking graduates to opportunities. However, engaging employers in these areas is often difficult, and the programme needs to develop best practice/strategies to successfully engage employers in such areas. The new European Programme should present opportunities to do this.

2.5.3. Knowledge Economy and Economic Development

Wales has recognised a number of important drivers of economic growth, including broadband telecommunications infrastructure; innovation; enterprise; and inward investment. There are some specific issues/questions regarding the future development of GO Wales which arise from this.

A recent study by the LSE highlights the potential productivity gains from investment in ICT. By increasing the number of graduates in employment in Wales who have strong ICT skills, GO Wales could contribute to maximising the value of the high speed broadband network investment. Many people who undertake a GO Wales placement work on ICT related projects (e.g. development of web sites, marketing databases etc) and it might be possible to use ICT skills as a key message in marketing the benefits of graduates to companies. Given the type of projects undertaken for GO Wales' placements, there would appear to be demand from companies for IT literate staff.

Improvements in an economy's ability to exploit ICT can have a significant impact on its capacity to innovate. The W:AVE strategy recognised the importance of innovation and the Leitch Review highlights the strong link between higher level skills and innovation. GO Wales provides a potential entry point for universities to engage businesses and to develop knowledge transfer collaboration.

W:AVE also recognises the importance of enterprise, especially in more rural areas, where self employment is more common. GO Wales has the potential to help graduates to develop the necessary skills for starting, running, and growing a business. In some more rural areas where enterprise is a more important option for graduates, GO Wales already does this.

The W:AVE strategy also notes the benefits of inward investment and gives a number of examples of this having a major impact on specific areas of Wales. Attracting major inward investment requires co-ordinated strategies developed by public sector agencies and the private sector. GO Wales can contribute by ensuring that graduates have the skills employers need and that a higher proportion of graduates are looking to further their career in Wales, rather than elsewhere. In future, it might be possible to use GO Wales to support specific bids for inward investment.

3. Research Findings and Impact of the Programme

3.1. Introduction

As described in Chapter 3, the Welsh economy faces two significant challenges with regard to the graduate labour market. Firstly, there is a need to increase the rate of graduate retention and attraction and in particular, of higher skilled graduates. Secondly, and linked to the retention issue, there is a need to stimulate demand for graduates from Welsh companies, especially SMEs. One of the key aspects to achieving this is to ensure that graduates develop skill sets which are closely matched to employer needs.

The GO Wales Programme is designed to address these dual needs and has a role to play in increasing graduate retention in Wales, improving graduate employability, and stimulating demand from Welsh SMEs for graduate employees. It also contributes to the development of stronger links between employers and HEIs, a vital component of a more innovative and successful economy.

This chapter summarises our findings with regard to the impact of GO Wales, based on the research findings from the primary and secondary sources discussed in Chapter 1. The findings are presented thematically, with the following themes identified:

- Graduate migration (retention and attraction);
- Stimulating employer demand for graduates;
- Graduate employability; and
- Wider economic, spatial, and social impacts.

3.2. Graduate Migration (retention and attraction)

3.2.1. Context

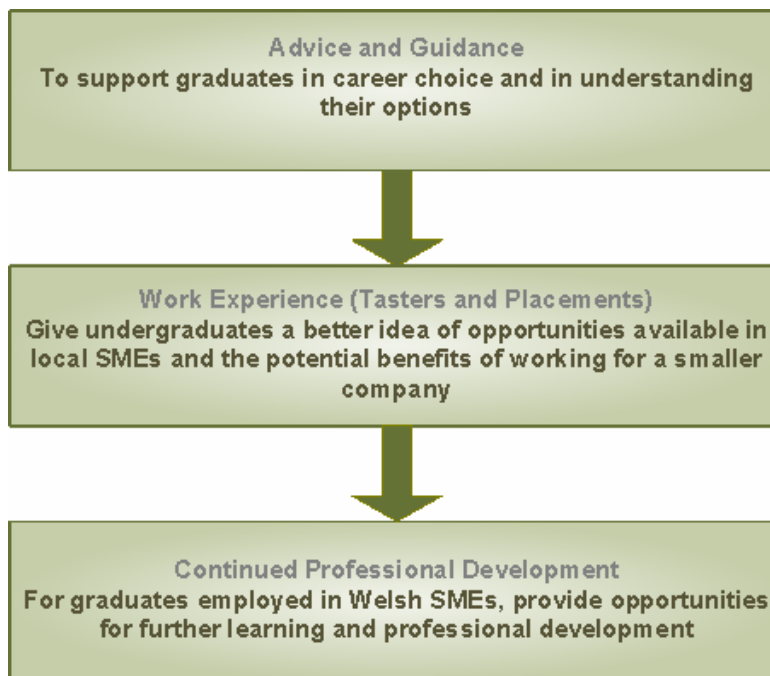
A key objective of GO Wales is to retain a greater number of graduates in Wales. The importance of retaining graduates is highlighted in Chapter 2 and as noted there, whilst overall 'loss' of graduates in Wales is not out of line with many English regions, Wales does lose a relatively high proportion of its better qualified graduates.

As discussed in Chapter 2, although Wales offers attractive benefits to graduates across several work-life balance factors, this tends to be offset by a lack of awareness of the graduate employment opportunities available in Wales. Previous research¹⁷ has indicated that a lack of Welsh-specific information about careers and employment opportunities is a barrier to increasing graduate retention. There would appear to be a need for spatially specific information, since perceptions of place and quality of life are important in determining graduate job search activity. If graduates have a negative perception of an area as a place to live, they are quite likely to rule it out of their job search activity. As the IES report states (as discussed in Chapter 2): perceptions around place are just as important as perceptions about employment opportunities:

“The way in which the local area is perceived can be just as important in attracting talent as the job on offer”.

¹⁷ The Institute of Employment Studies report cited in Chapter 2

A number of the GO Wales strands have been designed to improve graduate understanding of the employment opportunities available to them in Wales. The strands follow a logical path intended to capture the student at each stage of their decision-making process:



The advice and guidance strand gives graduates a better understanding of what is available locally and in other areas of Wales. For those potentially interested in working in Welsh based SMEs, the Work Experience Strand presents the opportunities for them to test the water, by spending some time working in such a company. If they do go on to work for a Welsh SME, the CPD strand provides training and development opportunities to assist them to develop their role in the business and increase job satisfaction/value to the employer. Together, these strands offer a potential progression route for students/trainees.

3.2.2. Impact

The research findings indicate that the focus of GO Wales regarding graduate migration is currently very much on retaining graduates at Welsh HEIs in Wales. The impact of the different strands on undergraduate perceptions of employment opportunities in Wales and ultimately retention is discussed below.

Advice and Guidance

Beneficiaries found it easier to identify benefits in terms of helping them to make career choices as opposed to a direct impact on their likelihood of remaining in Wales to work in a Welsh based company. There was also some favourable feedback about the information materials that GO Wales has produced, especially the 'Working in Wales' booklet.

Tasters

The survey findings regarding the taster strand were very positive. Tasters vary quite substantially in terms of their duration and focus, with some being one day fact finding

visits to employers, whilst others can involve a student spending a longer period with a local employer and undertaking a small project. EKOS interviewed several staff involved in the taster strand and there was a strong consensus that a focus on longer duration tasters was appropriate, with the potential for significant benefits in terms of changing perceptions that large employers are preferable to small, and in some cases leading to follow-on work placements or even employment offers.

The feedback from students who had benefited from a taster was positive with regard to its value added. For example, the following findings relate to the 17 postal survey responses received from undergraduates / graduates who had been on a taster.

- The majority of respondents (16 or 94%) felt that the taster had enabled them to learn more about the sector / profession.
- When asked whether the taster had helped them identify the skills needed to work in the sector / profession – 82% (14) respondents agreed that it had.
- When asked whether the taster had positively influenced their desire to work in this sector / profession – 71% (12) thought it had, just 4 thought that it had not (24%).

Despite the modest sample size for the postal survey, there was some evidence of significant impacts. For two respondents, the taster had led to a work placement, and for another two, the taster had helped them find employment.

The telephone survey results were more in-depth and included a sample of 25 individuals. Two of the findings of this survey show a very positive impact from tasters:

- For almost half of respondents, the taster led to a work placement.
- For almost a quarter, the taster employer made a subsequent offer of employment.

Placements

On the whole the placements fitted well with the career interests of the beneficiaries, for 92% of the undergraduate / graduate telephone survey the placement was either in or similar to the area that the individual was considering as a career (60% stated that it was *in* the area).

A principal benefit of the work placements is that they engage many undergraduates / graduates who would not consider employment in an SME. Placements give individuals a chance to test out an SME and many enjoy it and gain broader experience than they would get in a larger company. In such cases, it is possible that individuals will be more likely to remain in Wales, given the large volume of SMEs in the Welsh economy.

The telephone survey findings paint a positive picture of the impact of placements on graduate retention. In particular:

- Individuals were asked whether the placement had positively influenced their perceptions about long-term career opportunities in the type of employer they were placed with (i.e. a Welsh SME or voluntary organisation); 60% stated that it had, and 40% thought that it had not.
- The same proportion (60%) said that the placement had made them feel more positive that their career aspirations could be achieved in Wales.

It would appear that the placements strand is having the desired impact; a significant proportion of beneficiaries are more positive that their career aspirations can be met by

working in a Welsh based SME. Almost half (44%) of undergraduates / graduates stated that the placement had positively impacted on both their perceptions about opportunities in the type of employer they were placed with and their perceptions about career opportunities in Wales.

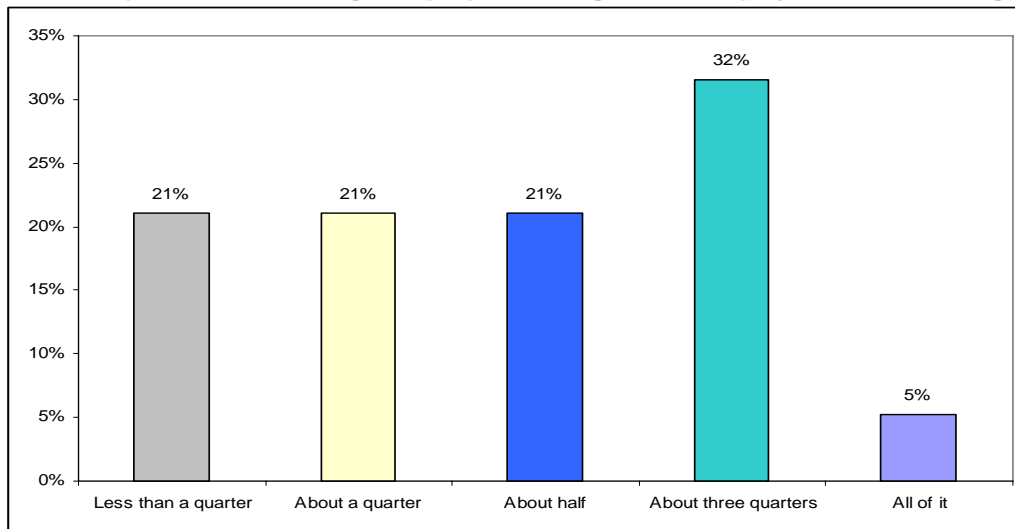
The positive impact is most clearly demonstrated by the very high proportion of Placements which lead to an employment offer for the individual. The comprehensive feedback data analysis from GO Wales shows that 41% of individuals who completed a placement were subsequently in full-time employment with the same company.

CPD

The CPD strand is designed to help smaller companies retain their graduates by providing opportunities for them to grow their role in the business through skills acquisition and professional development.

Training which is subsidised by the GO Wales CPD strand represents a significant proportion of annual training days for many graduate employees. The chart below demonstrates the proportion of graduate employee annual training days that the CPD activity represented (taken from the employer telephone interview feedback). For over half of graduate employees (58%), the GO Wales funded training represented 50% or more of their annual training days.

GO Wales part-funded training as a proportion of graduate employee annual training days



The telephone survey asked employers about the effect of the CPD strand on their approach to training. The CPD strand has not generally changed company perceptions about the importance of training - most of the respondents already see training of graduate staff as important - rather the CPD strand has enabled companies to provide *more* training and/or training that would otherwise have been too expensive. It appears then that GO Wales funded CPD is having a strong impact on the volume and quality of training which many graduate employees receive. Just one employer, from a sample of 25, stated that they would have provided the training anyway. This confirms the view of many GO Wales staff consulted that a large number of smaller firms would not be able to fund training without the subsidy offered through the CPD scheme. In other words, the CPD appears to offer a high degree of additionality.

Employers were asked to describe the commercial benefits of the training undertaken. These included (examples of respondent comments in brackets):

- Increased capacity and productivity.
"In the long term it will increase business because of the standard of training that I can now offer to people who come to me. It really benefited me as the company is fairly young - a stage when cash flow was critical - the funding has given me the ability to improve and generate money."
- Improved quality of service delivery.
"[It has] given us the advantage of being better able to advise clients."
- Increased expertise.
"It has given us increased knowledge and skills to develop products which will help the business"

The CPD funded is clearly making a real contribution to enhancing the value of graduate employees to their companies. For 90% of employers¹⁸ the CPD had increased the value of the graduate to the company and almost 50% of employers identified financial benefits in the range of £1,000 - £10,000. Greater recognition of the contribution that graduates make should help companies to retain them in the long term. This is confirmed by findings from the telephone survey of CPD graduate beneficiaries, with 63% of respondents stating they were more likely to remain with their current employer as a result of the CPD training.

Employers were asked if the GO Wales CPD strand could be improved. Responses were very positive but an interesting point that did emerge was whether GO Wales might in future be able to support companies in sustaining CPD activity so that learning really can be continuous.

3.3. Stimulating employer demand for graduates and employability

3.3.1. Context

Developing stronger links with employers and raising awareness of the GO Wales programme is a key priority for stimulating employer demand for graduates. As the IES report states:

"There is still work to be done in developing strong relationships with smaller, private sector employers. A large proportion of Welsh employers still have little or no contact with HEIs and do not see benefit of employing graduates. The GO Wales programme has been a very successful way for HEIs and their graduates to build relationships with employers in their local communities. The challenge is to embed the lessons learnt from this initiative to ensure long term sustainability."

Work placements have significant potential to demonstrate to employers the potential benefits of employing graduates, since the placement usually involves completion of a project that the employer has recognised as being of value to the company. The challenge is to engage the more sceptical employers in offering placements in the first place. Through promotional material (for example, the Services for Employers booklet) GO Wales identifies the benefits of the placements for companies, these include high level skills and knowledge to add value to the business, quality students and graduates, and an

¹⁸ From the employer telephone survey (total sample 25 employers).

opportunity to see if the company could benefit permanently from employing graduates (or undergraduates on a part-time basis).

As described in Chapter 2, the graduate employability agenda is closely linked to the stimulation of demand for graduates from SMEs; if graduates have the mix of technical and soft skills that SMEs need, they are more likely to employ them.

3.3.2. Impact

This section summarises the research findings with regard to the impact of the programme on:

- Company perceptions of the benefits of graduate employment.
- Graduate employability.

Work Placements

The work placement strand has the greatest potential for stimulating SME demand for graduates. In our survey of employers, 68% of respondents felt that engaging in the placement strand had positively influenced their attitude towards employment of graduates in their company. Of those companies that had offered placements, 32% said that prior to engagement with GO Wales they were unlikely to have recruited a graduate. All but one of this group said that following engagement in the placement strand, they were more positive about employing graduates in future.

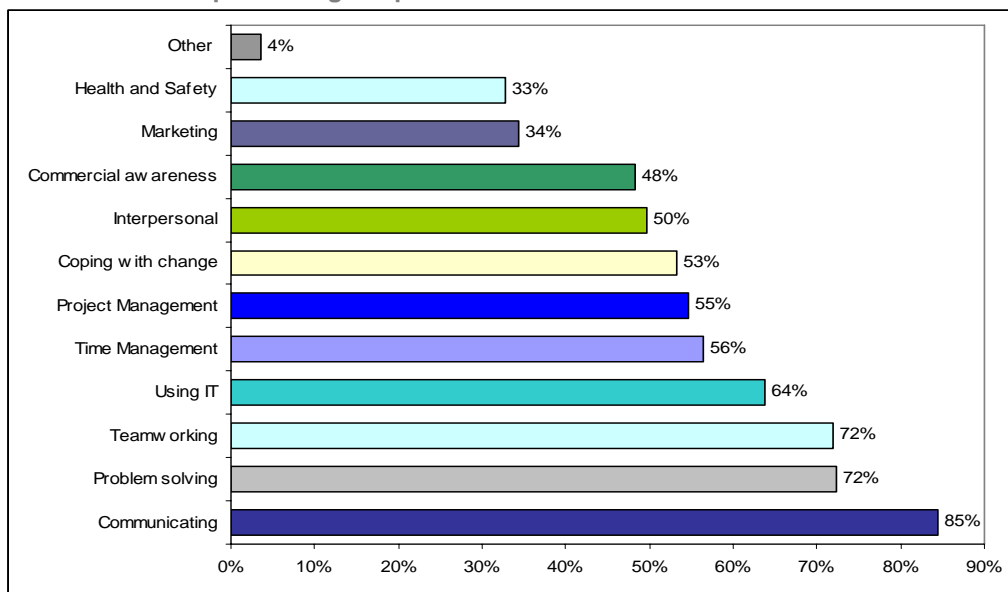
These positive findings on changing employer attitudes reflect the benefits that accrue to employers from the placements. The programme had helped a significant proportion of employers gain access to new skills – 70% stated that the programme had brought ‘new skills to the company’. The main type of new skills accessed was technical skills, with ICT skills being the most common (including website development). Other benefits cited by employers include ‘completion of valuable project work’ (for 91% of employers), ‘completion of a discreet project’ (for 70% of companies), and a ‘positive contribution to product / service development’ (cited by 74%).¹⁹

In terms of graduate employability, the placement scheme has impacted positively on the skills development of its undergraduate and graduate beneficiaries; 94% of companies stated that the skills development of the individual on the placement was very good or good during the placement. Employer ratings for work done and ability to complete the tasks assigned were also all very high (over 90% of companies stated that this was very good or good).

The major impact of the placement strand on employability has been the strong influence on the development of soft skills (e.g. communications, team working). Survey evidence (e.g. the National Employer Skills Survey, NESS) indicates that these are the skills that employers often report as lacking in graduates. Undergraduates and graduates were able to identify core skills developed during their placements and reporting of soft skills development is a feature of this, as demonstrated in the chart below.

¹⁹ From the GO Wales employer feedback analysis.

Core skills developed during the placement



The most common skills developed were communication (85% of undergraduates / graduates), problem solving (72%) and team working skills (72%). These are all transferable skills that demonstrate employability.

The Cox Review of Creativity in Business²⁰ stresses the importance of graduates from all disciplines developing commercial awareness and being able to understand how to commercialise new ideas. It is encouraging that 'commercial awareness' was identified as a skill developed by 48% of respondents.

Tasters

The Taster strand has also had a positive impact on employer attitudes regarding the value of graduate recruitment, with just over half of employers stating that following involvement in the Taster, they were more likely to recruit a graduate in future.

3.4. Wider Impact

3.4.1. Wider Economic Impact

The survey feedback suggests that GO Wales is having a positive impact on forging stronger links between businesses and their local HEI. For example, 68% of the respondents of the employer postal survey that engaged with the taster scheme stated that it had helped develop useful links with their local university.

Initial engagement between businesses and HEI needs to result in tangible strategies for deepening relationships and there is a strong sense from GO Wales' staff that the programme can contribute to this. For example, Work Placements are seen as an effective way of engaging employers and helping employers to identify the suitability of other university run programmes, such as Knowledge Transfer Partnerships (KTPs)²¹. There is some evidence that this is happening, but there is scope for closer links between HEI departments to make the most of the high quality employer engagement that GO

²⁰ Cox Review of Creativity in Business, December 2005. HMT

²¹ KTPs involve the placement of a university researcher within a company to undertake an R&D project. <http://www.ktponline.org.uk>

Wales facilitates. For example, one of the GO Wales staff consulted noted that the process of linking with and setting up a KTP can be lengthy. In one HEI, the Placement programme is run out of the Enterprise team, rather than the careers service, and the potential advantages of this model should be considered.

3.4.2. Spatial Alignment

As set out in the policy context section, a number of areas of Wales have a considerable challenge in retaining graduates as a result of a perceived lack of opportunities in the local labour market. GO Wales is delivered locally and has the ability to tailor and adapt services to meet the needs of local employers. Findings from the consultation in particular highlight scope for developing more locally tailored services in future phases of the programme

3.5. Summary

There is a strong body of evidence that the GO Wales programme is having a significant positive impact on graduate retention, employability, and SME demand for graduate employees. Not surprisingly, given the resources allocated to it, the placement strand appears to have the greatest impact. But there are some interesting findings regarding the impact of the different strands, including the significant impact that tasters can have, despite their limited duration, and the additionality of CPD, especially in small and micro firms. Looking forward, there is scope to maximise impact by making more of the high quality employer engagement that GO Wales facilitates, through stronger co-ordination between university departments and between universities and business support agencies.

4. Research Findings and Programme and Strand Delivery

4.1. Background

This chapter explores issues arising from the research regarding the overall management arrangements for the programme and the delivery of the different strands. It also considers how the strands of the programme link together and complement one another, and identifies potential service developments for future phases of the programme.

4.2. Programme Management

The majority of stakeholder interviewed offered positive assessments of the programme management arrangements.

4.2.1. Delivery Targets

Most of those consulted indicated that institution level targets for delivery of specific numbers of placements and CPD opportunities were broadly sensible and also noted that where institutions had been under or over performing, that funds had been reallocated in a timely fashion to ensure that programme delivery targets could be achieved. A few people did express some concerns regarding the targets for delivery of services to companies in Objective 1 areas. There is a view that companies in Objective 1 areas can be very difficult to engage in the programme, and that in some cases, targets were unrealistic.

4.2.2. Marketing

There is a consensus amongst GO Wales and University staff that the marketing and information materials developed for GO Wales by the central marketing team are of very good quality and are useful in engaging students and employers. The 'Working in Wales' booklet was praised by a number of those consulted and is seen as having filled a gap in the information available.

There was also a widely held view that it would be helpful to have a greater proportion of the marketing budget allocated locally. This would mean that promotional material could be tailored to local needs and take into account the local business base and employment structure in order to engage more local employers. Locally targeted marketing would be particularly useful in more rural areas.

There are some commonalities evident from the surveys undertaken relating to how employers and undergraduates / graduates heard about the programme. Employers tended to hear about the programme through word of mouth, being contacted directly by GO Wales or through direct contact from a local university. To a slightly lesser extent employers heard about the programme as a result of attending open days / networking events. For undergraduates / graduates, the most common route for hearing about the programme was through advertisements at university or through their university careers adviser.

In terms of the GO Wales brand itself, it is often the case that GO Wales' services are marketed under the university brand name and there is a widely held perception that the GO Wales brand is not well recognised, especially amongst undergraduates. There is an opportunity for developing joint branding and marketing to raise the profile of the GO Wales brand.

4.2.3. Administration

The administration of the programme improved during Phase II following some initial confusion around the rules for completion of paperwork by employers and eligibility criteria for some strands (e.g. CPD). There are however, some ongoing problems with the management information systems (database) which are impacting negatively on the operational efficiency of the programme. These problems are being resolved as a matter of priority.

A number of people consulted were critical of the 'lead body' role, with the common theme being that some lead bodies were too locally focused. The efficiency of administrative support (e.g. checking paperwork for errors) also varied by lead body. The management of the programme in Phase III has been centralised, partly as a result of this, and the lead body role is no longer operational in the same way.

Beneficiaries have a predominantly positive view regarding the administration of the strands. Any internal issues such as the database do not appear to be feeding through to impact negatively on beneficiaries, suggesting that GO Wales' staff are managing to work around these issues on a day to day basis.

4.2.4. Change to Level of Funding

The current phase of the programme (Phase III) is significantly less well funded than Phase II and this has resulted in a significant scaling back of services, reduced staffing capacity and requiring changes to eligibility criteria to ration available funds. For example, in Phase III, CPD is only available to graduates who are on or have undertaken a GO Wales work placement. There is a concern amongst GO Wales' staff that this could lead to a reduced level of employer engagement with the programme. The telephone survey findings hint at some employer concerns with the reduced capacity – with for example, one employer noting the loss of a specific member of staff as being a problem.

Delivery of the Strands

This section identifies key messages and issues relating to delivery of each of the strands.

4.2.5. Work Tasters

Employers were generally happy with the support and information they received from GO Wales to help organise the taster - 89% of companies providing tasters thought this was very good or good. GO Wales has been effective in matching students to appropriate employers - 92% of students / graduates stated that the taster was in the same area or similar field to that which they were considering as a career.

In some universities, there is evidence that students are being well supported to get the most possible benefit from the taster. In University of Wales Newport, for example, many students use the 'Learning through Experience' booklet (which is primarily designed for those undertaking Placements) to develop their skills and understanding of the work environment whilst on the taster. The approach taken by Placement Organisers at Newport is to focus on the quality of tasters as opposed to just volume; they see this as maximising benefits for students and cite several examples where tasters have led on to placements and even employment. For future phases of the programme, it would be beneficial to develop guidance on tasters best practice, stressing the potential to develop longer duration tasters that are much more than short fact finding visits, and more likely to result in follow-on placements or employment offers.

4.2.6. Work Placements

Overall, satisfaction with the placement scheme is very high and many employers offer Placements to more than one student/graduate. Employer satisfaction with the administration of the scheme is good, and GO Wales is seen by employers as providing a clear outline of the scheme at the start of the placement, clear definition of the process and a high degree of clarity on what is expected of the employer.

The research findings also indicate a very good level of co-ordination between employers, placement organisers and individuals in setting learning objectives. Almost 80% of those who had completed a placement had set learning objectives and for 41%, the process of setting learning objectives was undertaken in joint consultation with the placement organiser and employer.

There is a positive relationship between the frequency of developmental feedback for the person undertaking the placement and their skills development²², and frequency of developmental feedback and financial benefit for the employer. This is shown in the two tables below which are based on the GO Wales Feedback Data.

Frequency of developmental feedback and skills development

		Skills development					Total
		Very good	Good	Adequate	Poor	Not stated	
Frequency of developmental feedback	Frequent	64.5%	30.8%	2.9%	1.5%	0.3%	100%
	Occasional	44.0%	51.0%	5.0%	0.0%	0.0%	100%
	Not at all	38.5%	30.8%	23.1%	7.7%	0.0%	100%
	Not stated	42.9%	0.0%	7.1%	0.0%	50.0%	100%

Frequency of developmental feedback and identification of financial benefits for the company

		Can you identify any financial benefits to the company of the placement?				Total
		Yes	No	None	Not stated	
Frequency of developmental feedback	Frequent	46.2%	45.9%	4.6%	3.3%	100%
	Occasional	32.7%	48.4%	13.5%	5.5%	100%
	Not at all	33.3%	60.0%	6.7%	0.0%	100%
	Not stated	33.3%	20.0%	0.0%	46.7%	100%

Where feedback was provided on a frequent basis skills development and financial benefits were both more likely. This demonstrates the value of employers providing frequent developmental feedback to those undertaking placements and the need for placement organisers to support this process where appropriate.

For the individuals on placements, there is also a positive relationship between support received from placement organisers and satisfaction with the placement. Undergraduates / graduates who received 'very good' support from their placement organiser were more likely to rate the placement highly.

²² Based on company assessment of skills development.

		How would you rate the support you received from your Placement Organiser					Total
		Very good	Good	Adequate	Poor	Not stated	
How would you personally rate your placement?	Very Good	60%	31%	1%	1%	8%	100%
	Good	25%	49%	3%	1%	22%	100%
	Fair	17%	57%	0%	0%	26%	100%
	Poor	14%	43%	0%	14%	29%	100%
	Not stated	0%	0%	67%	0%	33%	100%

Evidence from the feedback data indicates that experiences varied in terms of the level of support received from the Placement Organiser. Not all beneficiaries received an induction visit or a later visit to discuss progress (16% of individuals in the telephone survey did not receive an induction visit, and 24% did not receive a later visit). Of those who did receive visits, the value of these is recognised - 67% found the induction visit 'very useful' and 29% 'quite useful', and 68% found the follow-up visit 'very useful' and 32% found it 'quite useful'. Given the evidence from the feedback data and telephone surveys, employer feedback and contact with the placement organiser during the placement are both strong examples of best practice.

Undergraduates and graduates undertaking the placements do not make extensive use of the written or on-line learning materials which GO Wales has developed. One possible reason for this is that those on the placements are working very hard to impress their employer (in the hope of securing employment after the placement has finished) and that the learning materials are not seen as a priority.

Towards the end of Phase II there was a concerted effort to engage all people undertaking a placement on a City and Guilds (C&G) accredited qualification. This is essentially a formal recognition of the work skills acquired on the Placement and involves the use of a reflective diary. One potential benefit of the C&G qualification is that it provides a clear signal to future employers of the skills that the graduate has acquired on their placement.

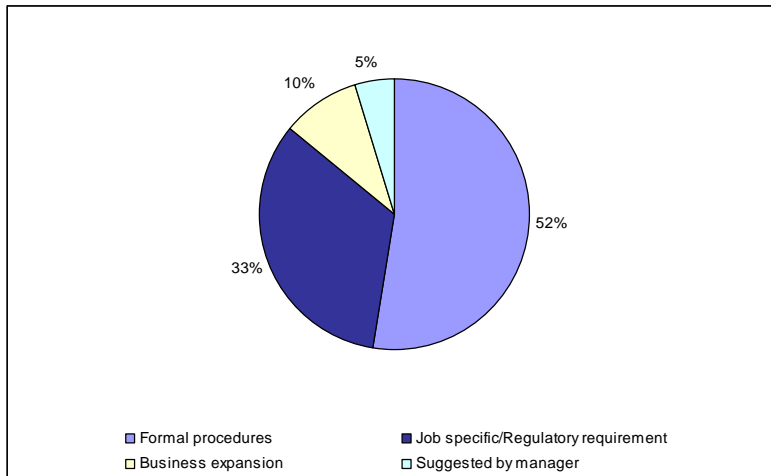
4.2.7. CPD

For graduate employers who have been funded to undertake CPD, satisfaction with the administration of the CPD strand is very high. For those who had undertaken relatively substantial CPD courses:²³ 87% rate the availability of information as 'excellent' or 'good'; 91% gave 'excellent' or 'good' ratings for the application process; 95% felt that the knowledge and helpfulness of staff was 'excellent' or 'good'; and 92% gave an overall rating for the administration of the CPD programme of 'excellent' or 'good'.

Methods for identifying training requirements tended to vary. Over half (52%) of graduates identified their skills needs through formal procedures such as training plans / staff reviews, and for a third of graduates, training needs were identified as a result of regulatory / job specific requirements. Use of the GO Wales on-line tools for auditing professional skills is limited.

²³ CPD activity of medium to long length (i.e. over a week to a year).

Methods of Identifying Training Requirements



An option for developing the CPD offer to employers would be to provide training needs analysis to employers, either by developing GO Wales' capability or via partnership/referrals with existing providers.

The issue of referrals is an important one in the context of CPD. Business support organisations such as Business Eye provide advice to companies on the full range of business support issues, including training needs, potential providers and funding sources. There is a need to ensure that companies are referred on to GO Wales as appropriate, and also that GO Wales refers companies to Business Eye when an employer has a business support need outside its remit. Currently, there appears to be some variation by geography in the extent to which the referral process works effectively.

Developing referral systems is particularly important in more rural areas, especially as engaging companies in these areas can be difficult. Cold calling is effective but expensive, especially in more dispersed settlements. Stronger links with business support organisations would be particularly useful in these areas and there would appear to be a need to raise awareness in business support organisations as to what GO Wales offers to businesses. There is evidence in some areas of the effectiveness of referrals in stimulating demand for CPD and placements – for example, via the Pembrokeshire Business Initiative.

One way of leveraging resources available under the CPD strand would be to test the market for general graduate development programmes which involve employees from a large number of companies. Most SMEs do not have the resources to offer such programmes, but by aggregating demand with other SMEs, it is possible that a more substantial graduate development programme would become a cost effective option.

4.2.8. GO Wales Jobs

Beneficiary perceptions of GO Wales Jobs, the GO Wales web based free graduate jobs service, are generally positive. The survey of undergraduates/graduates asked individuals to rate the service on a scale of 1 to 5 (where 5 is excellent and 1 Poor) on the following criteria: number of opportunities available; type of opportunities available; ease of use; quality of job descriptions; and explanation of next steps if interested in applying. Average scores for the five criteria were 3.4, 3.4, 3.9, 4.0 and 3.5 respectively. This suggests that people are largely satisfied with the current service but that greater impact could be achieved by attracting more and higher quality employers to advertise on the service.

Employers are also generally satisfied with the service - 70% of employers from the postal survey thought the service compared favourably to other forms of advertisement for returning an appropriate number of suitable candidates. Almost two thirds (61%) thought the service compared favourably to other forms of advertisement for quality of candidates.

Based on this, there would appear to be some scope for developing and improving the service, most notably, by expanding the number of jobs available, which would attract a greater number of graduates to use the service. One way of doing this would be to develop a facility for employers to register jobs on the system via a web portal. Employers cannot do this at present.

4.2.9. Advice and Guidance

Survey evidence indicates that beneficiaries are satisfied with the support received under this strand. For the majority of graduates / undergraduates who responded to the postal survey and who have used services provided under the strand (34 individuals) 90% stated that the service met some or all of their needs, or exceeded expectations. For the telephone survey, 96% of undergraduates / graduates thought the service met all or some needs.

Suggestions from beneficiaries of how the service could be enhanced related primarily to provision of support that is more tailored to the needs / aspirations of the individual. The Advice and Guidance strand is not being funded under the current phase of the programme. If it is to be revived under Phase IV, careful consideration of how it can be more focused on individual needs (within cost constraints) will be needed, to ensure maximum impact.

4.3. Summary

Beneficiaries are generally very satisfied with the administration of the programme and strand delivery arrangements. The findings highlight some examples of best practice in delivery arrangements which should be disseminated to GO Wales' staff. In particular, there is evidence that the impact of placements on skills development and general satisfaction with the placement are enhanced by regular employer feedback on performance and ongoing support from the placement organiser. There are also examples in some areas of strong referral mechanisms with business support agencies such as Business Eye being used to enhance the impact of GO Wales.

5. Conclusions and Recommendations

This chapter summarises the principal conclusions from the evaluation and sets out a number of recommendations for the future development of the programme.

5.1. Conclusions

5.1.1. Delivery

Beneficiary feedback indicates that delivery of GO Wales services is effective and there are high levels of user satisfaction (individual and employers) across all services. The evaluation evidence reveals a number of best practice delivery lessons, as follows:

- The survey evidence on placements shows that: individuals and companies benefit more from the placement when the employer provides regular developmental feedback; and individuals get more out of their placement if they receive good quality support from their placement organiser.
- In some areas, work experience organisers have focused on providing high quality work tasters for individuals, rather than short group visits to employers. This has been supplemented by providing intensive support to those undertaking placements – for example, by encouraging them to use the ‘Learning Through Experience Booklet’. This seems to have paid dividends in terms of some of the impacts of the taster service, and in particular, in terms of tasters leading on to placements or employment offers.
- In some areas there is evidence of effective working with business support agencies to generate a two way flow of referrals.

There is consensus that the marketing materials developed by the GO Wales central marketing team are useful and of high quality. There is however, a case for tailoring marketing to local circumstances. The research uncovered some fairly innovative mechanisms of employer engagement and local marketing, including barbeques, open days, networking events, breakfast meetings and even cold calling (this can be quite effective but is time consuming and expensive).

The GO Wales services provide a mechanism for high quality employer engagement and can lead to the development of strong relationships between companies and HEIs. For example, 92% of employers would provide a placement again, suggesting a general receptiveness to working with the HEI network once engaged. The recent Leitch review stresses the need for HEIs to develop more effective engagement with employers and the contribution that GO Wales can make to this is important.

GO Wales services are often marketed to employers under the flag of the local HEI and there is scope for more joint marketing to further strengthen the GO Wales brand identity.

One of the achievements of the programme is the strategic added value it brings in terms of leadership and co-ordination. GO Wales has galvanized the HEI network and provided a coherent approach to Welsh graduate retention and employability.

5.1.2. Impact

The GO Wales programme is having a significant positive impact on graduate retention and employability, and SME demand for graduate employees.

The placement strand appears to have the greatest impact, reflecting the high level of resource allocated to it. The experience of offering a placement can have a profound effect on how an employer with limited or no experience of employing graduates perceives the benefits of graduate recruitment. This reflects the benefits that accrue to employers as a result of the placement, with 70% stating that the placement brought valuable new skills into the business. For the individual, the placement often leads to an offer of employment (41% of individuals who completed a placement were subsequently in full-time employment with the same company), in part reflecting the development of skills during the placement that are greatly in demand from employers (e.g. soft skills and commercial awareness). Placements also have a positive influence on individual perceptions of opportunities available in Wales (60% of telephone survey respondents said that the placement had made them feel more positive that their career aspirations could be achieved in Wales).

There are some interesting findings regarding the impact of the other strands also. The feedback on tasters is especially encouraging. They can provide a valuable stepping stone to placements and employment and have a more substantial impact than anticipated; for almost half of respondents to the telephone survey, the taster led to a work placement, and for almost a quarter, the employer made a subsequent offer of employment.

The additionality of CPD, especially in small and micro firms, is also encouraging, with more and better quality training being the result. Importantly, the CPD strand appears to be having a positive impact on the ability of companies to retain their graduate staff. Of graduates who responded to the telephone survey, 63% stated that they were more likely to remain with their current employer as a result of the CPD training.

Several strands of GO Wales have enhanced links between SMEs and HEIs. Looking forward, there is scope to maximise impact by making more of the high quality employer engagement that GO Wales facilitates, through stronger co-ordination between university departments and between universities and business support agencies. In addition, the employability agenda is increasingly being mainstreamed into university teaching. GO Wales can help to make this as relevant as possible by feeding back intelligence based on employer feedback to university staff responsible for curriculum development.

One of the most important findings of the research is the tangible business benefits that GO Wales services can produce. The impact of placements in bringing new skills into companies was noted above, and employer responses to the CPD telephone survey also highlight the strong link between CPD courses and business need.

5.2. Recommendations

This section sets out recommendations for the future development of the programme. There are 13 recommendations, grouped under three themes as follows:

- Strategic Positioning and Alignment - relates to the high level strategic role of the programme and its contribution and alignment to different policy initiatives.
- Delivery - covers operational issues around how the programme is delivered.

- Marketing and Communication.

5.2.1. Strategic Positioning and Alignment

Recommendation 1: Volume versus Quality

The Leitch Review highlights the need for GO Wales to ensure a continued flow of 'volume' opportunities for graduates to stimulate cultural change within SMEs. That said, this needs to be balanced with the quality of opportunity - to ensure that the GO Wales interventions are long lasting and have maximum benefit. There is evidence from the research that a focus on quality results in greater impact. For Phase IV of the programme, clear guidance from HEFCW is needed on the appropriate balance between volume and quality, to ensure that appropriate targets and incentives are developed.

Recommendation 2: Employer Target Market

HEFCW should also provide clear guidance to HEIs regarding the balance of resources between companies with limited or no experience of graduate recruitment, and those with experience. There are clear benefits to engaging those with little or no experience of recruiting graduates and this is closely aligned with the W:AVE priority to stimulate higher paid employment opportunities. However, there are also benefits from deepening relationships with more experienced recruiters, particularly in terms of retaining higher skilled graduates in Wales (for example, to support the Assembly's Science Policy). HEFCW and the Assembly need to jointly clarify how GO Wales should be taken forward to align with various Assembly initiatives.

Recommendation 3: Spatial Disparities and Economic Development

GO Wales should consider how the programme could be used more proactively as a tool to respond to spatial disparities (Community First areas/widening participation) and economic development. A greater spatial focus would mean the programme would resonate more with other funding bodies and make an impact where it is most needed. The programme could for example, provide higher levels of subsidy to employers in more deprived areas, to reflect the greater challenge of engagement. In more deprived areas, retaining young graduates in the area is a particular challenge, given the perceived lack of opportunities. In some rural areas, where graduate opportunities are in short supply, the programme might be able to do more to support graduates who wish to start their own business, working in partnership with business support agencies.

In terms of future alignment with European programmes, GO Wales is most likely to fit in under the ESF Convergence Programme Priority 3 – Improving the Skills Levels and Improving the Adaptability of the Workforce. Priority 3 has three themes, as follows: Improving the Skills Base of the Workforce; Improving Systems for Workforce Development; and Gender Equality in Employment.

Recommendation 4: Supporting Inward Investment

GO Wales should consider how the programme could be developed to more proactively support inward investment initiatives. For example:

- GO Wales should consider how it could work more proactively with International Business Wales (IBW), the trade and investment arm of the Welsh Assembly Government.
- GO Wales could play a role in reinforcing the Welsh Assembly Government's Science Policy by counteracting the so-called 'science deficit'. It needs to consider how it could help to deliver the three current priorities (Health, Low Carbon

Economy, Enabling Sustained Social and Economic Renewal) and emerging future priorities.

- GO Wales could complement skills support for: major national land and property investments such as the Waterfront Development in Swansea; major tourism or coastal developments in Pembrokeshire, North West and North East Wales; and Ministry of Defence investment at St Athan.

Recommendation 5: Links to Other HEI Services (Knowledge Economy)

GO Wales interventions provide a good opportunity to engage employers and identify suitability for other programmes (KTPs) and university services. It is important going forward that this is not a missed opportunity and that GO Wales links more seamlessly into more sophisticated HEI services. This would help to support the need identified in Leitch to deepen employer engagement.

5.2.2. Delivery

Recommendation 6: Smooth Funding Levels

Significantly reduced programme funding levels in Phase III (January 07-December 07) compared to Phase II have resulted in a scaling back of services, reduced staffing capacity and some changes to eligibility criteria. There is a risk that this could lead to some employers disengaging from the programme and should higher funding levels be available in future, there will be a need to increase staffing capacity and adapt eligibility criteria. For operational effectiveness, it would be better if funding levels could be smoothed over time.

Recommendation 7: More Proactive Approach to Referral

It may be worth considering a more proactive stance on referral within the programme. Referral needs to be more consistent and effective with proactive use of intermediaries such as Business Eye. As previously noted, GO Wales facilitates high quality employer engagement, and better links with business support agencies would help to leverage this, particularly in more rural areas where employer engagement can be difficult.

Recommendation 8: Maintain Local Distinctiveness

Local delivery, distinctiveness and discretion are important features of the programme that should continue (the Beecham review cited the significance of local service delivery and the Wales Spatial Plan sets out the diverse challenges facing different areas of Wales).

Recommendation 9: Ensure Targets and Resources Reflect Local Realities

The spatial challenges of some more remote and deprived areas should be recognised where a higher degree of proactive marketing, travel time and cultural change may be required. Targets and resources should be sensitive to the challenges in these areas, which may include: low business density; high proportions of harder to reach employers – micro SMEs; and high levels of seasonal employment. If targets are unrealistic, there can be a detrimental effect on programme impact – as delivery bodies may ‘chase’ targets by engaging employers that have a relatively high probability of funding activity themselves.

Recommendation 10: Consider Suggestions for Development of Services and Ways of Working to Further Enhance Programme Impact

The GO Wales team should consider the suggestions for service development and ways of working made within the report.

Ways of working:

- a) GO Wales can help to make mainstreaming of employability skills into degree courses as relevant as possible by feeding back intelligence based on employer feedback to university staff responsible for curriculum development. Consideration should be given to how best to enable this.
- b) GO Wales enables high quality employer engagement and it is important that HEI departments have effective links to facilitate deepening of employer relationships (e.g. a placement might lead on to a KTP). In one HEI interviewed as part of the research, the work experience strand is run out of the university enterprise team, rather than through the careers service. The potential advantages of this model should be assessed.

Best practice in delivering existing services:

- c) For placements, regular employer feedback about the individual's performance, and contact between the individual and the placement organiser during the placement are both strong examples of best practice.
- d) Engaging individuals on placements to participate in the City and Guilds accredited qualification is likely to benefit individuals and increase the profile of placements. Participation should be supported and encouraged.

Future service development:

- e) In future phases of the programme, GO Wales should consider testing the market for a general graduate development programme, drawing in employees from a large number of companies.
- f) It should also consider the potential to offer training needs analysis, probably through partnership/referral arrangements with existing providers.
- g) The GO Wales Jobs service should be developed so that employers can register jobs remotely.
- h) Services under the Advice and Guidance strand are not currently being funded. If this strand is to be revived in future, care needs to be taken to ensure additionality and that services are not duplicating existing careers service activities.

Recommendation 11: Widen the Individual Beneficiary Target Market

GO Wales should consider how to market the programme outside of Wales to attract back graduates with a connection to Wales – people of any nationality who went to university in Wales but then left, and Welsh people who went to study outside Wales and did not return to Wales to work. This would require careful targeting and the programme would need to work with other organisations, especially the alumni departments of Welsh HEIs.

5.2.3. Marketing and Communication

Recommendation 12: Proactive Marketing and Communication Strategy

GO Wales should continue to proactively market and communicate the programme at various levels to ensure awareness of the contribution the programme makes to the Welsh economy. It should consider high level dissemination to Welsh Assembly Government ministers (an opportunity not available to all English RDAs), employers (where appropriate) and graduates. The evaluation findings on the programme impact and benefits should be disseminated across the university network and within the Future Skills Wales Partnership too (via the employer, marketing, monitoring/advisory and research groups for instance).

Recommendation 13: Review Central/Local Allocation of Marketing Budget

It would be useful to review the central/local allocation of marketing budget and assess whether some shift in resource to the local level is appropriate.

5.2.4. Prioritisation of Recommendations

In terms of prioritising recommendations, there is a need to focus on the strategic recommendations set out in paragraph 5.2.1. For future phases of the programme, it is important to have a clear vision of programme objectives and expected outcomes by local area. This needs to be translated into appropriate and focused targets, development of eligibility criteria and appropriate funding allocations, in time for the start of the next phase. To some extent, decisions on higher level strategic focus and alignment will inform decisions on operational strategy – for example, the central/local allocation of the marketing budget.

In terms of prioritising the recommendations in section 5.2.2 on delivery, those relating to leveraging the high quality employer engagement that GO Wales enables are of particular importance (Recommendation 7 and Recommendation 10b), in light of the clear steer from the Leitch review of the importance of better quality employer engagement.