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Potts, Conor and Nazarian, Alireza (2015) Small businesses and graduate recruitment in Australia and the United Kingdom. International Journal of Business and Social Science, 6 (8). pp. 61-69. ISSN 2219-1933

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Small Businesses and Graduate Recruitment in Australia and the United Kingdom

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Abstract

Purpose – *The aim of this paper is to investigate graduate recruitment by small businesses from a small business perspective. With the growth in the number of graduates, non-traditional sources of employment, in particular small and medium size enterprises (SMEs) have come to be viewed as a source of graduate employment. However, do graduates have the skills that small businesses are looking for?* ***Design/methodology/approach****–A qualitative approach was adopted to this small-scale study. Ten interviews, five in Australia, and five in the United Kingdom (UK) for comparison, were carried out with the owners or representatives of small businesses. These interviews were recorded, then transcribed onto Word documents, and then interfaced into the computer program NVivo where coding and analysis took place.* ***Findings*** *– The findings from the interviews indicated that in general the small businesses interviewed are not having difficulties recruiting graduates with the right skill sets (which were defined as self-reliance skills, general knowledge skills and technical skills). However, there were exceptions from both the UK and Australia, with also a possible question mark over the technical skills of graduates.* ***Research limitations/implications*** *– The paper reports on a small-scale qualitative study, therefore further study using a larger sample is suggested.* ***Originality/value*** *– This paper makes a contribution to the knowledge base by looking at graduate recruitment from the small business perspective.*

Keywords: United Kingdom, Australia**,** Small businesses, Graduates, Self-reliance skills, General knowledge skills, Technical skills

Introduction

There has been a growth in the number of students in higher education in the UK over the last thirty years. As a result the UK Government has looked to SMEs to provide employment opportunities for graduates (Westhead &Matlay, 2005). In the mid-1990's Hawkins & Winter (1996) noted a 75% increase in higher education enrolments in the UK since 1980. They advised that this trend combined with changes in the workplace as companies downsized, delayed and outsourced, meant that large numbers of graduates could not all be recruited by the traditional graduate recruiters. Instead some graduates would find themselves in non-traditional roles, in particular they would need to find employment opportunities within SMEs. Hawkins & Winter (1996) identified that to work for SMEs these graduates would need the skills of self-reliance, which they defined as confidence, self-awareness, negotiating skills, action planning and networking skills. Ideally, a graduate would also have in addition both general business skills (in finance and information technology (IT)), and a specialist skill. Looking at potential SME employers Hawkins & Winter (1996) also commented that many entrepreneurs perceived graduates as being high cost and high risk, as they were not sure as to what they were getting and were worried about graduate retention and commitment.

Westhead & Matlay (2005) in their research on graduate employment in SMEs noted that there had been few empirical studies on the graduate skills being supplied and those being sought by SMEs. However, their research concluded that students reporting technical knowledge skills and/or increased self-confidence were more likely to find employment in small firms. Heaton et al (2008) in their research on graduate recruitment in a regional economy, Northern Ireland, noted that the inadequacy of some university courses was mentioned by a number of employers interviewed. However, innovative solutions were developed by some employers by using placement opportunities which produced students with more confidence and better communications skills.

Henry & Treanor (2012) in their study of veterinary students in the UK found that the students did not place the same value on entrepreneurship and business related education as prospective employers. Veterinary employers recommended that such skills should be taught so as to produce graduates who would understand that many veterinary practices are in fact small businesses. Therefore this paper seeks to look at graduate recruitment from the small business perspective, in particular, do small businesses have difficulties recruiting graduates with the 'right' skills? What is meant by the 'right' skills are firstly, the skills of self-reliance as identified by Hawkins & Winter (1996); and secondly, the knowledge skills (both general and technical) identified by Hawkins & Winter (1996), but also alluded to by Westhead & Matlay (2005), Heaton et al (2008) and Henry & Treanor (2012).

Literature Review

Here various papers are reviewed in chronological that look at graduate recruitment and the skills of graduates, finishing with Shannon (2012) who queries whether some of the skills required are actually aptitudes. Hawkins & Winter (1996), referred to a 75% increase in higher education enrolments in the UK since 1980 coinciding with dramatic changes in the world of work as companies downsized, delayered and outsourced. As a result, large number of graduates would not be absorbed by the traditional graduate recruiters. Instead, graduates would find themselves in non-traditional roles, in particular in SMEs. They went on to suggest that with the changes to graduate careers, graduates themselves would need to become self-reliant. This involved having such skills as negotiating, action planning and networking skills, added to qualities such as self-awareness and self-confidence. Furthermore Hawkins & Winter (1996) argued that self-reliance skills were one of three types of skills that graduates needed. Therefore the graduate needed to be a generalist, with general business skills and knowledge in areas such as finance and Information Technology (IT), and the graduate also needed to have a specialist skill – to be an expert in something.

In conclusion Hawkins & Winter (1996) argued that graduates had enormous potential to develop smaller businesses through their education, enthusiasm and fresh ideas, but graduates would need self-reliance skills to make the most of the SME opportunities available. Stewart & Knowles (2001) in their UK study focused secondary and empirical research on the value placed on transferable skills and qualities by SMEs. They referred to the Careers Advice and Employment Service (1997) definition of individual transferable skills which included: motivation, initiative, creativity, organizational ability, communication skills, teamwork, interpersonal/social skills, problem solving, and leadership. Stewart & Knowles (2001) established that SMEs were becoming an increasingly important source of graduate career opportunities, and that evidence seemed to indicate that recruiters in this sector placed significant emphasis on graduates possessing a range of transferable skills. They therefore conducted an empirical study which included the following:

- What skills and qualities do SMEs seek from graduates?
- Do SMEs seek the same skills and qualities as large organizations?

From the results of their research SMEs do seek the skills and qualities which are defined as transferable. Furthermore, their evidence indicated significant commonality within the SME sector and between SMEs and larger organizations. However, the most significant difference between SMEs and large organizations was the expectation in the former that graduates would perform and contribute immediately. Their research also suggested that SMEs place significant value on team-working skills which linked to the importance of a potential graduate recruit fitting into a very close working environment. Stewart & Knowles (2001) suggested that Higher Education Institutions could work at developing partnerships with small businesses to assist in the process of enabling both students and small businesses to realize the benefits that each could offer. Their secondary and the empirical research findings also indicated that many employers, both large and small, were seeking a graduate who had achieved a reasonable degree and was equipped with a range of skills that could be transferred to the workplace.
Westhead & Matlay (2005) looked at graduate employment in SMEs from a longitudinal perspective. They noted that the UK Government was encouraging more SMEs to employ university graduates, but few empirical studies had focused upon the graduate skills supplied and those sought by owners of SMEs. Therefore their study discussed evidence from a sample of students who participated in the 1994 Shell Technology Enterprise Program (STEP). Firstly, they reviewed the skills reported by STEP and non-STEP graduates in full time employment positions in 1997 (i.e. two years after graduation). Secondly, they reviewed the skills of STEP and non-STEP students who obtained full-time jobs in small private firms in 1997.

Evidence reported by Westhead & Matlay (2005)in their study suggested that the skills likely to be cited by STEP students reporting full-time employment positions, i.e. business sense, computer literacy, practical business skills and project management skills, were those being sought by the owner/managers of SMEs. However the evidence failed to confirm that participation in the program significantly increased the probability of a STEP student joining a small private firm two years after graduation. However, students reporting technical knowledge skills and/or increased self-confidence were more likely to be employed in small private firms. Westhead & Matlay (2005) suggested that the owners/managers of SMEs were seeking specific business related skills. Therefore they argued that the onus was Higher Education Institutions to provide courses that embed these skills through the higher education curriculum.

Raybould & Wilkins (2005) reported on research in Australia that investigated hospitality managers' expectations of graduate skills and compared those expectations with student perceptions of what hospitality managers' value. This was investigated by surveying samples of both populations using a self-completion survey that required each group to rate the importance of a range of fifty-two hospitality based activities under nine generic skill areas; oral communication, written communication, problem solving, conceptual and analytical, information management, teamwork and leadership, interpersonal, adaptability and learning, and self-management. The skill ratings in each group were then compared. They discovered that in absolute terms the five biggest differences in ranking occurred amongst those skill descriptors that students ranked more highly than industry managers did. Three of these skill descriptors related to the conceptual and analytical domain, one to an advanced form of oral communication, and one to teamwork and leadership. Industry managers identified none of the skill descriptors associated with the conceptual analytical domain in their top twenty, in fact industry managers ranked eight of the ten skill descriptors associated with the conceptual and analytical domain in the bottom twenty. Instead managers ranked skills related to interpersonal, problem solving and self-management domains as most important. However, it was the conceptual and analytical domain that was emphasized in most bachelor degree programs. In conclusion, Raybould & Wilkins (2005) stated that students and academics were investing time and effort in developing conceptual and analytical skills that were not be valued by employers of hospitality graduates. They went on to suggest greater co-operation between education providers and industry to design the education curriculum, undergraduate industry experience programs, and graduate internships.

Heaton et al (2008) in their study of graduate recruitment in Northern Ireland, noted how employers were using innovative strategies to address the problems of attracting and retaining high caliber graduates. Field research was carried out with a total of nine organizations, six large organizations in the financial services, healthcare, manufacturing, engineering and IT sectors, and three SMEs in the legal, accountancy and IT sectors. Theynoted in their research that one way for employers to get to know potential longer term employees was by utilizing the industrial placement or a sandwich year. For several employers there was a general consensus that the industrial placement provided the students with critical experience and knowledge, and also more confidence. Furthermore, for several organizations, the placement was also a central part of their longer term recruitment strategy. For graduates there was general consensus that placements offered a beneficial experience in terms of skills, knowledge and experience creation.

They identified that the inadequacy of some university courses was mentioned by a number of employers with the IT companies being particularly critical. Even the accountancy firm felt that students did not bring sufficient experience in the preparation of basic accounting reports. There was thus a problem in some instances with the technical skills of the graduates. Henry & Treanor (2012) stated that the higher education sector in the UK has come under increasing pressure to embed entrepreneurship within its various curricula. With this in mind they explored entrepreneurship education within the veterinary medicine curriculum and discussed the challenges associated with trying to teach entrepreneurship and business to veterinary students. Their findings indicated that students and employers did not share the same view about the value of entrepreneurship and business related elements within the veterinary curriculum. The students felt that business and entrepreneurship would only be of real value at a later stage in their career, and pointed out that such elements were not their priority. In contrast employers felt that graduates were too focused on the clinical side of veterinary medicine, they wanted graduates who could contribute to the overall success of the practice thus any type of business or entrepreneurship education could only enhance graduates employability. Tempone et al (2012) looked at the desirable 'generic' attributes for accounting graduates in an Australian wide study, by conducting interviews with various employers (including SMEs) and members of professional bodies to determine the generic attributes considered to be important.

The results of their study indicated the key non-technical skills that employers rated as most important were in the broad areas of communication, teamwork, self-management, initiative, problem solving, and planning. Whilst employers and professional associations used these terms, further analysis revealed that employers in different sectors of the accounting industry assigned different meanings to these terms. For example, according to this study, there were divergent views about what communications skills meant. Communications skills were viewed by different interviewees as presentation skills, oral speaking skills, listening, negotiating and the ability to provide feedback, and written communication skills. They suggested that the information and reflections on the generic attribute of "communication skills" as provided by various respondents suggested a conceptualization of a range of social skills.

They surmised that technical skills would always be a priority. However, employers surveyed required communication and presentation, teamwork and self-management attributes in the graduates they were employing. Most firms had training programs in place to progress the development of required attributes at different levels. However, in the case of small regional accounting firms the requirement for graduates "to hit the ground running" was more pronounced due to the firms' reduced capacity and means to provide training. They concluded from their study that given the different requirements between sectors, the demands on universities to deliver work ready graduates should be subjected to the question: work ready for whom? As the same attribute may mean different things to different employers. Jackson & Chapman (2012) also referred to non-technical skill gaps in Australian business graduates. The aim of their study was to identify and examine the precise nature of non-technical skill deficiencies in those graduating from undergraduate business degree programs in Australia. The study examined and compared employer and academic perceptions in a broad set of industry-relevant skills. Their study highlighted weaknesses in certain non-technical skills which are considered imperative for successful managers. Key elements in which graduate performance was considered weak were behaviors comprising critical thinking and decision management. Disappointing ratings for leadership skills also raised concern. Conflict resolution was another weakness, as was perceived weak performance in public speaking and commercial awareness.

However, they went on to state that in other respects the graduates were socially adept, responsible, confident, self-disciplined, ethically informed, organized and efficient. They were also fairly motivated, valued self-improvement and were proficient in basic skills and certain cognitive processes. Therefore they suggested that interpreting the level of concern raised by their findings was partially dependent on the perceived role of undergraduate business education. Those favoring the development of potential leaders would find the results more disappointing than others emphasizing the broad development of generic skills and the graduate's ability to apply disciplinary knowledge in the workplace. Nevertheless they indicated that certain significant differences in academic and employer perceptions may be fueling skill gaps. Therefore they called for further collaboration and direct industry involvement in developing non-technical skills to enhance graduate outcomes.

Shannon (2012) conducted research on the graduate recruitment of architecture graduates in Australia. Employers in small, medium and large Australian firms were surveyed about their graduate hiring practices. The research study was interested in the contemporary recruitment behaviors of practices which hire architecture graduates with respect to how they prioritized the employability skills of graduates and the graduate attributes ('discipline area' skills) of the graduate. For 'employability skills' interview respondents were asked to rate each capacity on the Commonwealth of Australia's list of 'employability skills' (Australian Government 2011). These skills are teamwork; self-management; communications skills; creative initiative and enterprise; planning and organization; problem solving; technology; and lifelong learning. Teamwork was given the highest rating in the research, and the themes that came through here were that; architecture is a team based production process, and that personality traits such as teamwork were hard to evaluate at an interview. At the other end of the scale was life-long learning. The reason for this ranking was that the respondents stated that it was almost impossible to evaluate, so therefore it could not be critical as a skill in ranking graduates for hiring. With respect to discipline area skills, the research found that employers from a wide range of practices, and practice sizes highly prioritized the demonstration of sound technical skills in graduate recruitment. Furthermore, respondents rated Computer Aided Design (CAD) skills as important. The analysis of CAD skills revealed that sound CAD skills were considered a key graduating skill for employment, and that a familiarity with a variety of platforms was necessary. Shannon suggested that employers should consider that some of the employability skills are aptitudes or personality characteristics, which no employer could instill or pre-judge in a graduate, just as no University suggested that it could teach them.

Methodology

A small scale study using a qualitative approach was undertaken, as it was seeking the views and opinions of small businesses to graduate recruitment without necessarily seeking to numerate and quantify those views. The aim was to obtain the views and opinions of small businesses towards graduate recruitment in order to answer the research question, "Do small businesses have difficulties recruiting graduates with the 'right' skills?"The qualitative method for obtaining the research data was by means of semi-structured interviews of the owners or the representatives of small businesses. A small business was defined as one having one to forty-nine employees, which includes both small and micro businesses according to the European Union specification (Storey & Greene, 2010).Ten semi-structured interviews of small businesses were conducted, five in Australia, five in the UK. The decision to interview small business representatives from Australia and the UK was to see if there were any differences in experiences between the small businesses in the two countries. (The two countries are similar in that they are both economically advanced, English speaking countries with Westminster style parliaments; in fact Australia was a colony of the UK until Federation in 1901.)

The interviews in Australia were arranged mainly through personal contacts. The interviews in the UK were arranged mainly by meeting small business representatives at local Chamber of Commerce events. These interviews were recorded. Of the interviews that took place in Australia, all were in the State of Victoria, three in Country Victoria (namely in the region of Gippsland to the east of Melbourne), and two in Melbourne itself. Of the interviews that took place in the United Kingdom, all five took place in London. Four took place in West London, one in North London.

In more detail the Australian interviewees were with:

1. Business A, an accountancy public practice in the town of Sale, about a three hour drive east of Melbourne. The interview was with the owner.
2. Business B, an accountancy public practice in the town of Traralgon, about a two hour drive east of Melbourne. The interview was with one of the accountants who also deals with recruitment.
3. Business C, a motel in Traralgon, The interview was with the owner.
4. Business D, a not for profit organization which provides a program for mentally disadvantaged children in Melbourne. The interview was with the office manager.
5. Business E, a sole trader, an electrician with thirty years' experience based in Melbourne.

In more detail the United Kingdom interviews were with:

1. Business V, an accountancy public practice in North London. The interview was with the owner.
2. Business W, a web design agency based in West London. The interview was with the Sales and Marketing Director.
3. Business X, an IT support company which provides services for SME's, and is based in West London. The interview was with the Technical Director.
4. Business Y, a networking business designed for professionals, based in West London. The interview was with the owner.
5. Business Z, a freelance property developer, based in West London.

The interview questions revolved around three themes:

1. A brief overview of the business.
2. Questions about graduate recruitment.
3. Questions about the skills of the graduates, which in turn were subdivided into:

- Self-reliance skills being self-confidence, self-awareness, negotiating skills, action planning skills and networking skills.
- General knowledge skills being writing skills, business knowledge and IT skills.
- Technical knowledge being what the graduate studied in.

Depending on the responses to the questions, like, for example, whether the small business recruited graduates (and several did not), some questions were omitted from some of the interviews, and others were asked hypothetically. Following the interviews, the recordings were transcribed onto Word Documents and then analyzed.

Computer assisted qualitative data analysis software (CAQDAS) was used for the manual coding and the retrieval of data. Following transcription onto Word, the Word Documents were posted into the CAQDAS software NVivo for coding. The transcripts were reviewed in NVivo's document viewer, and the codes were worked out. For coding NVivo uses nodes defined as "a collection of references about a specific theme, place person or other area of interest" (Bryman & Bell, 2011, p.598). The interviews were reviewed in NVivo's document viewer and then coded against the individual nodes that had been set up.

Findings

1. Are Small Businesses Having Difficulties Recruiting Graduates?

Six of the ten small businesses interviewed (three in Australia, three in the UK) recruited or had recruited graduates. Of the businesses that did not, Business Z, the UK sole trader was not interested in graduate recruitment. Business E, the Australian sole trader felt that it was not big enough; Business C, the Australian motel felt that it did not have roles for graduates, whilst Business X, the UK IT support company had previously only had an apprentice rather than a graduate. Seven of the ten small businesses had graduates applying directly to the businesses (four in Australia, three in the UK). The exceptions were Business C, the Australian motel who could not recall seeing any applications from graduates; Business Z, the UK sole trader who also received no applications from graduates; and Business X, the UK IT support company, which had had graduates applying through training providers when running an apprenticeship. Five of the ten small businesses used student placements (four in Australia, one in the UK). In the UK, both Business V, the accountancy practice and Business W, the web design company indicated that they did not have the facilities for student placements, with Business V stating "We don't have the facilities and the time to do that." and Business W stating "you can see our office is quite small". Business X, the IT support company had used an apprentice; whilst Business Z left it up to the companies he worked with to do the hiring. This left Business Y, the business networking company as the one UK business that had used a student placement. However, of the four businesses in Australia that used student placements, only Business B, the accountancy practice recruited students on graduation; whilst three of them, Business A, the accountancy practice, Business C, the motel, and Business D, the not for profit organization, for various reasons did not. For Business A this was because the placement was felt not to be beneficial to the business, for Business C the placement was a short-term requirement, and for Business D, the student placements were at the required job level being sought,

Six of the ten small businesses (three in Australia, three in the UK) indicated that they would not have difficulties in recruiting graduates. Of the other four businesses, Businesses E and Z, the Australian and UK sole traders did not recruit graduates. Business C, the Australian motel advised that graduates did not apply to the business, but that they would be considered if they did apply. However, Business W, the UK web design company indicated that it sometimes had difficulties finding graduates who "actually have the experience in particular fields that we are looking … to fill", because it needed graduates with specific IT skills. However, for both Businesses A and B, the Australian accountancy practices, the issue was not just recruiting graduates, but also keeping them, as both commented on graduates leaving their businesses with Business B commenting "one of the frustrating things that we do stumble across every now and then is losing graduates we've developed". There for from this study, the small businesses interviewed are not having difficulties in recruiting graduates. This is the case both in Australia and the UK, with one UK small business (Business W, the web design company) being the exception.

2. Are Small Businesses Finding That Graduates Have The Right Skills?

The analysis of this was split into three parts. These three parts were:

a) The skills of self-reliance, defined as self-confidence, self-awareness, negotiating skills, action planning skills and networking skills.
b) General knowledge skills, defined as IT, handwriting and business knowledge skills.
c) Technical skills, defined as the graduate's technical skill.

a) Seven of the ten small businesses looked for or would look for the skills of self-reliance in graduates (three in Australia, four in the UK). Of the three businesses that did not, Business A, the Australian accountancy practice felt that "they've got, got all those things"; Business E, the Australian sole trader did not recruit graduates; and Business W, the UK web design company felt that they were not necessary, "it's not necessary for them to have those skills … because they'll tend to put on their headphones and just code away."

However, Business Y, the UK business networking company indicated that in contrast to Business A, the skills of self-reliance amongst graduates were not there, and instead these were developed whilst in employment. Interestingly Business X, the UK IT support company indicated that a lack of self-reliance skills actually created an opportunity to shape the person, but then added that a complete lack of self-reliance skills could be a problem.

Turning to the specific skills, both Businesses B and V, the Australian and UK accounting practices looked for self-confidence in graduates; but once again Business Y, the UK business networking company suggested that in general it was not there "the confidence was not, was not generally there except for people from the U.S." Business B also looked for negotiating skills, action planning skills and networking skills in graduates for "being able to communicate with other people is the most important thing", but Business V did not see these as necessary: "They're told what to do. We've got work flow … system. It's a computerized system, so we know who knows what to do when." Meanwhile Business Y also indicated that networking skills in graduates were limited: "I found the ability to network in their comfort zone was exceptional, outside their comfort zone is non-existent and full of fear."Therefore from this study, it is fair to say that the small businesses interviewed are not having difficulties finding graduates with the skills of self-reliance. They are either finding graduates with those skills as in the case of the Australian small businesses, or to a degree they do not matter so much as in the case of some of the UK small businesses. However, Business Y the UK business networking company was an exception.

b) Nine of the ten small businesses looked or would look for general knowledge skills in graduates (four in Australia, five in the UK). The Australian exception being Business E, the sole trader who did not recruit graduates. However there were once again differences between the small businesses as to what skills were more important.

Seven of the ten small businesses (two in Australia and five in the UK) looked for IT skills. This included the two accountancy practices in Australia, where Business A suggested "they can finger type, but they can't touch-type and in this day and age they should be able to touch type." However, IT skills were not so important for the other Australian small businesses with Business D the not for profit organization stating "probably not IT skills, they don't need that". This contrasted with the UK small businesses, which admittedly included the two IT businesses, Businesses W and X. Business V the UK accountancy practice also indicated that being able to use a computer was essential: "They have to be able to use the computer. They have to, I mean it is not a luxury."

Also seven of the ten small businesses (three in Australia, four in the UK) looked for handwriting skills. Of the businesses that did not, Businesses A and V, the Australian and UK accountancy practices emphasized the importance of computers and computer generated correspondence. However in contrast, both Business B, the Australian accountancy practice, and the two UK IT companies, Businesses W and X emphasized the importance of handwriting skills for dealing with correspondence and writing briefs. Thus Business B commented "we deal with a lot of correspondence here, so being able to write a letter and being able to use proper English, proper grammar, all of those things are really important". General business knowledge seemed not to warrant a comment by most of the small businesses. Only three businesses commented directly on it, with Business B, the Australian accountancy practice suggested that it was important; whereas Business V, the UK accountancy practice suggested that it was not: "They don't need to know business knowledge, they just get on with the job"; whilst Business Y, the UK business networking company saw it as a bonus if they had up to date information, but otherwise no, "It was a bonus, but not a necessity because sometimes people come with business knowledge that's out of date and therefore it's best they have a clean mind rather than one with duff information." Therefore from this study, it is fair to say that the small businesses interviewed are not having difficulties finding graduates with the skills of general knowledge. However, the importance of the individual skills varied amongst the small businesses between the two countries with handwriting skills, and then IT skills considered more important.

c) Five of the ten small businesses looked at or would look at the technical skills of the graduates during the recruitment process (one in Australia, four in the UK). Of the Australian small businesses, only Business B the accountancy practice did so by monitoring students on the student industry placement program at the local University. Conversely Business A, the other Australian accounting practice did not look at the technical skills of the graduates during the recruitment process: "Usually with the graduates you're assuming they have the technical skill". With respect to the UK, Business V, the accountancy practice, also did not look at the technical skills of the graduates "they all come blank, even you know accountancy degree", although it was accepted that they needed the theoretical knowledge in order to progress.

With respect to actually possessing the technical skills, of the businesses asked (two in Australia, three in the UK), the response was mixed. For Business Y, the UK business networking company, expectations were exceeded:"Always exceeded expectations, generally because they're quite humble and are not very confident about how useful their skills are in the workplace. When I found they started using their skills in the workplace they realized just how good they were". For Business V, the UK accountancy practice, a definitive answer could not be provided as some were good, others were not. For Business W, the UK web design company, graduates with the required IT skills were specifically recruited. For Business B, the Australian accounting practice, in most instances expectations were met, and if not technical training was offered. However, Business A, the other Australian accounting practice felt that graduates were lacking in some key technical areas, "they have no concept of how double-entry works. The system doesn't balance they have no idea how to pull it apart and to find out what's wrong". Therefore the study indicates that on balance the small businesses are finding that graduates have the necessary technical skills. However, the picture is not clear-cut for whilst there is clearly an Australian small business exception (Business A, the accounting practice), other businesses too noted technical deficiencies with some of their graduates.

Discussion

This small scale study into understanding the employment of graduates by small businesses shows that in the UK and Australia, the small businesses interviewed are not having difficulties in recruiting graduates, unless the small businesses is looking for specific technical skills in the graduates as in the case of Business W, the UK web design company. With respect to the skills of self-reliance, Shannon (2012) queried, based on the views of employers, whether the Australian Government's list of employability skills which included self-management, communication skills, teamwork, planning and organization, problem solving, technology, creative initiative and enterprise, and lifelong learning are actually skills that can be taught or instilled in a graduate, or whether they are aptitudes. This has relevance in discussing Hawkins & Winter's (1996) skills of self-reliance which are self-confidence, self-awareness, negotiating skills, action planning skills and networking skills which mirror many of the Australian Government's employability skills. Therefore, for example, can self-confidence be taught, or does it come from within the graduate? (Though it is worth noting that Hawkins & Winter (1996), described self-confidence as a quality as well as a skill.) Interestingly Business Y, the UK business networking company touched upon this area when making the comment "the confidence was not, was not generally there … and I also found self-motivation to be a problem for some of them which probably links back to lack of confidence or insecurity or something." However, Business Y went on to say "I give them those skills once I have recruited them." This statement suggests that the skills of self-reliance can be developed. However, this leads to the further question, can they be developed at University, or are they developed in work?

In the review of the literature, Tempone et al (2012) made reference to skills such as communication skills meaning different things to different organizations even though they are in the same industry. Tempone et al (2012) thus showed that the same skill can have different interpretations depending on the context. With respect to this, the writer noticed that in the interviews when it came to the skills of general knowledge (IT skills, handwriting and business knowledge), some of the businesses interviewed interpreted this as meaning knowledge of a wide range of topics. However, with respect to the study it is worth noting that it showed that the small businesses are not having difficulties recruiting graduates with the skills of general knowledge. What was also interesting was that small businesses valued some skills more importantly than others. IT skills were valued highly, understandably so with the use of personal computers by small businesses, but also, surprisingly in this age of the personal computer, hand-writing skills as well. Whereas business knowledge in graduates did not seem to be highly merited. The study indicated that on balance the small businesses interviewed are finding that graduates have the necessary technical skills. However, several of the small businesses noted technical deficiencies with some of their graduates. This suggests that Universities may still have some work to do in bringing graduates up to the standards that employers are seeking. In the literature, Raybould & Wilkins (2005) suggested having closer relationships between the Higher Education Institutions and industry. The case of Business B, the Australian accountancy practice which operates a student placement program with the neighboring university is an example of this. The study data was based on ten interviews, with five in Australia and five in the UK. Therefore the size of sample is limited and there was no focus on any particular industry.

Another limitation was that the length of time of the interviews varied depending on who was being interviewed, Therefore Businesses E and Z, the Australian and the UK sole traders who did not recruit graduates did not have a lot to say about graduate recruitment or the skills of graduates and therefore their interviews took less time even though they had many of the same questions as other businesses. On the other hand those businesses that recruited graduates tended to give longer interviews as they had more to say based on their experiences. Therefore, future study could be focused on those small businesses that recruit graduates, or alternatively there should be a much larger sample of businesses interviewed, in order to carry out a more detailed study.

Conclusions

Several conclusions are drawn from this study. Firstly that the small businesses interviewed are not having difficulties in recruiting graduates. This is the case both in Australia and the UK, although there was an exception in Business W, the UK web design company. Secondly the study also indicates that the small businesses interviewed are finding that, in general, graduates have the 'right' skills. Looking at these skills, starting with a) the skills of self-reliance, they are either finding graduates with those skills as in the case of the Australian small businesses, or to a degree they do not matter so much as in the case of some of the UK small businesses. With respect to b) general knowledge skills, it is fair to say from the study that the small businesses are not having difficulties finding graduates with the skills of general knowledge. With respect to c) technical skills, the study indicated that on balance the small businesses are finding that graduates have the technical skills. However, the findings for technical skills were not as clear cut as for the skills of self-reliance and general knowledge. Whilst one Australian small business, Business A, the accounting practice, specifically commented upon the technical deficiencies of graduates, other businesses too noted technical deficiencies with some of their graduates.

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