

Graduate skills and the Creative Industries

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NESTA is the National Endowment for Science, Technology and the Arts

- We're the largest single endowment in the UK exclusively devoted to innovation.
- Our aim is to transform the UK's capacity for innovation.
- We invest in early stage companies, inform innovation policy and encourage a culture that helps innovation to flourish.

Making Innovation Flourish

NESTA Innovation Programmes

- Finding the best ways to stimulate curiosity, creativity, inventiveness and enterprise.

NESTA Investments

- Combining investment with non-financial support (eg mentoring) to help early-stage companies turn innovative ideas into commercial successes.

NESTA Policy & Research

- Applying NESTA's practical experience to inform debate and help shape innovation policy and practice.

Creative graduates as a potential force for innovation

- The percentage of graduates in the creative industries already surpasses the targets for the UK workforce in 2020 set out in the Leitch report (40%)
- The number of applicants for creative arts and design courses rose by 23% from 48,000 in 2002 to 59,000 in 2005.
- Creative graduates seem to have highly sought after competences and attitudes
 - 24% of employers cite 'creativity and innovation' as the most important skill/quality/aptitude for graduate employees in 10 years time (Gillinson and O'Leary 2006)
 - HR managers rate communication, creativity and innovation higher than numeracy and literacy when recruiting graduates (ibid)
 - Arts graduates learn how to 'work independently with self-motivation', and develop 'analytical and critical reasoning' (*The Art of Innovation* 2008).

A mismatch between supply and demand

- It is argued that graduates coming out of universities lack 'industry readiness'.
- The issue is not number of graduates, but their quality:
- Examples
 - The video games sector cites recruitment problems as a barrier to growth
 - Fashion designers lack the management skills to run their own businesses
 - Design businesses argue there is a scarcity of graduates with the right mix of creative and commercial skills

The reality of the marketplace

- Many creative specialists work outside of their creative sector
 - 80% of design professionals (Galindo-Rueda, Haskell and Pesole 2008)
 - 54% of creative specialists work outside the creative industries (Higgs, Cunningham and Bakhshi 2008)
- A large share of creative graduates start their own businesses when they finish their degrees
 - 45% of fine graduates surveyed in NESTA's *Art of Innovation* 2008 set up their own business
 - 45% of creative graduates expect to run their own businesses (NESTA's *Creating Entrepreneurship* 2007)

Creating employability

- Creative graduates need transferable skills, as well as technical ones.
- Business and entrepreneurship skills are lacking (NESTA *Creating Growth 2006*)
 - Only 35% of small creative businesses have established any financial goals for the future
 - One-third of creative businesses with turnover > £1M have no financial goals.
 - More than half of creative businesses have senior managers with no training in business strategy

Some underlying issues

- Perceived tension between creative and commercial motivations
 - 90% of TV and film producers in a North East Survey felt 'uncomfortable' expressing their goals in commercial terms (Pembridge 2004)
 - 40% of television producers state explicitly that their businesses is not about making money (Skillset 2005). The percentage is 18% for music businesses (DCMS 2006)
- 80% of HEIs and FEIs offering creative courses provide entrepreneurship education, but...
 - Students are not aware of all the facilities
 - There are concerns about their quality
- Lack of industry involvement in entrepreneurship education: only 30% of curricula developed in collaboration with industry partners. *Creating Entrepreneurship 2007* Higher Education Academy-NESTA

Example: skill shortages in the video game sector

- The video games sector is facing particularly severe skills shortages (Games Investor Consulting 2008)
- Only 18% of graduates from games-specific courses manage to find a job in the sector.
- Only 4 out of 81 HE courses are accredited by Skillset.
- New recruits often have to be given costly on-the-job training to get up to speed with the needs of the business

A promising initiative: *Dare to be Digital*

- *Dare to be Digital* is an initiative run by Abertay University at Dundee. It helps raise the visibility of talented teams of students through a prototype competition
- The prototypes are presented at Fringe festival, and the winning team is nominated for a BAFTA young talent award.
- In its eight-year history, *Dare* has generated five companies, two product deals and seen 80% of its participants get hired by high profile employers in the video games industry
- NESTA is involved in *Dare to be Digital* through *Dare to Grow* (supporting placements of *Dare to be Digital* participants in smaller independent studios).
- The model is currently being rolled out in other sectors such as digital content and digital advertising.



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