

July 2002 Graduate Salaries & Vacancies Half-Yearly Review

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agr

the collective voice of graduate recruiters

AGR, established in 1968, consists of organisations which recruit and employ graduates or which offer services in connection with graduate recruitment. We represent those providing a high proportion of graduate vacancies in the UK and we are increasingly involved with research in and around recruitment needs of employers.

Mission Statement

‘To support employers in all aspects of the recruitment of graduates to meet their current and future business needs.’

Objectives

AGR will achieve its mission by:

- providing expertise, information and advice to enhance employers’ effectiveness in recruiting graduates
- providing a forum for discussion by employers, of issues relevant to graduate recruitment
- promoting and disseminating best practice in all aspects of graduate recruitment and the transition from education to employment
- encouraging, supporting and initiating research into education, career choice and employment
- representing the views of employers to policy makers, careers services and other practitioners, the media and the general public
- providing informed choice and guidance about graduate recruitment to all concerned
- working with education generally and higher education in particular on relevant matters.

The Institute for Employment Studies (IES), is an independent, apolitical, international centre of research and consultancy in human resource issues. It works closely with employers in the manufacturing, service and public sectors, government departments, agencies, professional and employee bodies, and foundations. For over 30 years the Institute has been a focus of knowledge and practical experience in employment and training policy, the operation of labour markets and human resource planning and development. IES is a not-for-profit organisation which has a multidisciplinary staff of over 50. IES expertise is available to all organisations through research, consultancy, publications and the Internet.

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Contents

Executive Summary	1
1 Introduction	4
1.1 Sample	5
2 Starting Salaries	7
2.1 London Weighting Allowance	7
2.2 Salaries	7
2.3 Joining payments and incentives	10
3 Vacancies	12
3.1 Shortfall – anticipated	13
4 Selection and Recruitment	15
4.1 The recruitment cycle	15
4.2 Recruitment of international graduates	16
4.3 Allowances paid for graduate characteristics	17
4.4 Techniques and issues	18
4.5 Longer-term recruitment policy	21
Appendix A: Survey Respondents	23
Appendix B: Questionnaire	29

Executive Summary

The latest Half-Yearly Review, produced by the Institute for Employment Studies (IES) continues to present key **benchmark data** according to the same two subgroups introduced eighteen months ago:

- main business activity
- industrial grouping

This report offers information regarding salaries for the recruitment years commencing October 2000/2001 and 2001/2002, together with members' **predictions** for 2002/2003. The report also provides vacancy data for the recruitment year 2000/2001 and vacancies for 2001/2002. Two hundred and ten members responded to this latest AGR survey, a response rate of 58 per cent.

The overall findings suggest that members continue to be cautious with graduate intakes, with fewer vacancies on offer in 2001/2002, although salaries are being maintained at a healthy level. Despite a slower predicted salary growth for 2002/2003, salaries are anticipated to continue outstripping the current low level of inflation, and this year's successful applicants can enjoy an environment where their employers are confident about their future business stability.

Starting salaries

- In the recruitment year 2000/2001, typical starting salaries for new first-degree graduates ranged from £10,500 to £35,000 with a **median salary of £19,000**.
- In the recruitment year 2001/2002, typical starting salaries for new first degree graduates range from £11,000 to £37,000 with a **median salary of £19,600**. This represents a typical **rise of 4.2 per cent** (considerably higher than the current rate of inflation, and almost in line with average GB earnings), an equivalent of around £800.
- Looking ahead to 2002/2003, salaries for new first-degree graduates are anticipated to range between £15,750 to £40,000, with a **median of £20,300**. This represents a smaller increase of **2.7 per cent**, a typical rise of around £500.
- Predicted salaries for 2002/2003 are expected to vary according to industry. Legal firms once again offer the highest starting salaries, although their predicted salaries for 2002/2003 are no higher than for 2001/2002.

Joining payments and incentives

- As in previous years, one in four members offer some form of joining payment as a way of attracting talent to their organisation. Payments range from £500 to £11,000 with a median payment of £1,500.

Vacancies

- The total number of vacancies **fell** from 16,832 in 2000/2001, to an anticipated total of 15,742 vacancies in 2001/2002.
- Between 2000/2001 and 2001/2002, members predict a decrease of some 6.5 per cent overall. These statistics contrast sharply with the 14.6 per cent increase predicted by members responding to the survey at this time last year, and is likely to reflect changes to the market conditions and economy since last September.
- Some 32 per cent of responding organisations were intending to **increase** their graduate intake, and a further 29.5 per cent of employers were **expecting it to remain at the same level as last year**.
- The IT, Software and Telecoms industry is anticipating the greatest cutback in the number of vacancies on offer, with an anticipated reduction of almost 40 per cent.

Shortfall – anticipated

- A smaller proportion of members (14 per cent) anticipate a shortfall for the year 2001/2002 in comparison with last year's figure of 18 per cent.
- Shortfalls are most likely to occur in the Food, Drink and Tobacco industries where one in three employers anticipate a shortfall.

Recruitment of international students

- Fifty four respondents (26 per cent) had made a total of 640 applications for work permits for international students in the three years prior to the survey, of which 522 were successful (a success rate of 82 per cent).
- The Financial and Legal sector had the highest proportion of respondents who had made such applications. In addition, a higher proportion of respondents employing less than 2,500 people had also made such applications, by comparison with larger firms.
- Twenty three respondents described the process as straightforward, smooth, quick and/or easy, while 14 respondents described it as drawn out, longwinded, time-consuming, expensive and/or bureaucratic, and two reported that they had outsourced the process as a result.

Allowances paid for graduate characteristics

- Thirty one per cent of respondents offered their new graduate intake in the recruitment year October 2001/2002 salaries that varied, by paying more or less than the company average for newly qualified graduates. This practice was more common in the Manufacturing, Production and Industrial sector than in other sectors.
- Overall, the differentials offered across all types of graduate had a median value of around £2,700.
- There were considerable differences in payments according to each of the graduate characteristics, the greatest range of which is evident for graduates with MBAs, where some companies recruited MBA graduates on salaries over twice those offered to a typical new first degree graduate.

- The wide-ranging differentials also included starting salaries which were **lower** than employers' usual starting salaries, on the basis of graduate characteristics such as work experience. This is likely to refer to graduate applicants **without** work experience *etc.*, or whom they have not personally sponsored.

Recruitment techniques and issues

- '*Evaluating at assessment centres*' was (as for the last two years) considered to be **the most useful** recruitment technique and '*Outsourcing the whole process*' to be the **least useful**.
- As last year, the **Internet** continues to be the most frequently used technique with 90 per cent '*Using the Internet to describe/advertise typical vacancies*'. '*Receiving completed application forms from the Internet*' and '*Using the Internet to describe and advertise vacancies*' were voted the second and third most useful techniques.
- An additional question introduced to this current survey revealed that over two-thirds (69 per cent) reported '*Using dedicated recruitment Websites*', demonstrating further the key role that the Internet now plays in the selection and recruitment process.

Longer-term recruitment policy

- '*Plans to expand the business*' were anticipated to have the most positive impact on longer-term recruitment and '*Plans to contract business*' the most negative impact.
- The data suggest that employers have confidence in the graduate labour market and business stability in the medium term, as only nine per cent of respondents expected to reduce their graduate intakes over the next three years, while 42 per cent expected to increase it, and a further 35 per cent plan to maintain current levels of intake.
- Compared with the other sectors, a relatively small proportion of Manufacturing, Production and Industrial sector respondents anticipate increasing graduate recruitment, and a relatively high proportion also anticipate graduate recruitment remaining at current levels. This suggests that firms in this sector continue to struggle in a competitive marketplace.

1 Introduction

The biannual Graduate Salaries and Vacancies surveys have been conducted by the Institute for Employment Studies (IES) for the AGR since 1985. Both the structure of the reports and questionnaires continue to be reviewed and revised in order that they may continue meeting the needs of the AGR membership. This latest Half-Yearly Review continues to present **benchmark data**, where possible, according to either the organisation's main business activity (industry), **as disclosed by responding members**, or, where appropriate, sector. This current survey presents data according to the newly introduced category of IT and Software Services, an increasingly large group which has previously been included with Other Business Services.

To maintain confidentiality, it has not been possible to present information for the Mineral & Ore industry and the Chemical & Allied industry firms each as a single category. Just **one** Mineral & Ore industry firm responded to this current survey and their response has been combined with the 11 responses from Chemical & Allied firms to form a larger single group, as they share very similar salary characteristics. Similarly, **only six** organisations from the Electrical/electronic Engineering (including telecoms) industry responded to this survey. Their responses have been combined with the 15 responses from the new industry category of IT & Software services, **Four**

Sector 1 – Financial and Legal	(total number = 71)
■ Banking and Finance	(N = 29)
■ Insurance	(N = 6)
■ Accountancy	(N = 15)
■ Legal Services	(N = 21)
Sector 2 – Services (excluding financial and legal)	(total number = 72)
■ Retail, Hotels and Catering	(N = 15)
■ Transport and Communications	(N = 9)
■ Public Services	(N = 15)
■ *IT & Software Services, and Electrical/electronic Eng & Telecoms	(N = 21)
■ Other Business Services	(N = 12)
Sector 3 – Manufacturing, Production and Industrial	(total number = 67)
■ Energy and Water industries	(N = 11)
■ Chemical and Allied, Mineral and Ore industries	(N = 12)
■ Engineering and Construction	(N = 24)
■ Food, Drink & Tobacco	(N = 9)
■ Other Manufacturing	(N = 11)

*Henceforth known as IT, Software and Telecoms.

organisations responded from the Construction industry and their responses have been combined with the 20 Engineering responses. Finally, the **one** response from a Hotels & Catering firm has been combined with the 14 responses from the Retail industry. As with recent surveys, the number of responses from the Insurance industry was rather low and would usually be combined with another industry in order to protect confidentiality. However, in response to requests from AGR members, and after consultation with the AGR, statistics for the Insurance industry are presented separately. It should be noted throughout, however, that data for the Insurance industry is based on very small numbers (just six responses) and should be treated with caution.

This report continues to allow the AGR membership the freedom and flexibility to benchmark themselves in a meaningful way according to their own particular industries.

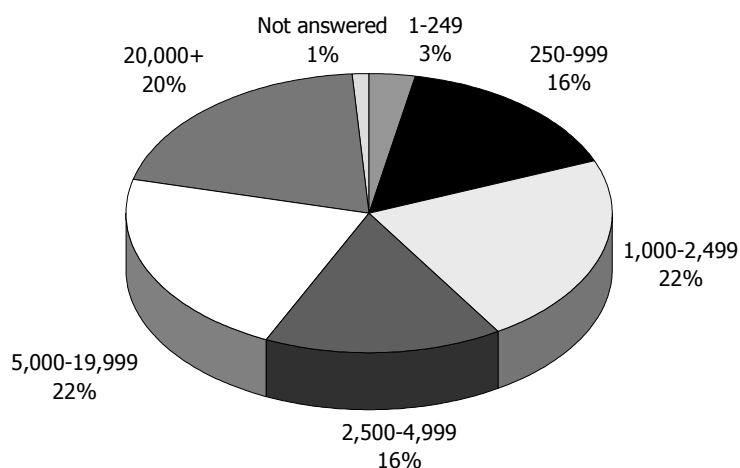
This report offers information regarding salaries for the recruitment years October 2000/2001 and October 2001/2002, together with members' **predictions** for 2002/2003. In addition, this Half-Yearly Review also provides vacancy data for the recruitment year 2000/2001 and insight into vacancies on offer for 2001/2002. **However, as with earlier reports, caution should be taken when interpreting statistics cited at a subgroup level, due to small numbers representing some industries.**

1.1 Sample

In the middle of March 2002, IES mailed 364 questionnaires to AGR members (see Appendix B for a copy of the questionnaire). The survey closed mid May 2002, following two reminders; 210 usable responses were received and included in the analysis, representing a good response rate of 58 per cent. **Maintaining a good response rate is critical to providing members with reliable benchmark data.** Figure 1 shows the profile of respondents according to the total number of staff employed by the organisation.

Appendix A shows the identity of AGR members according to their industry, together with median starting salaries. In addition, IES telephoned and spoke with 20 graduate recruiters in order to understand the quantitative survey data further, and to add context to the survey findings. We would like to thank all the AGR members who responded to the survey, and especially those who found the additional time to speak with IES via the telephone.

Figure 1 Number of employees



N = 210

Source: IES/AGR 2002 Half-yearly Review

The remaining chapters of the report are as follows:

- Chapter 2 – **Starting salaries** – offers key benchmark data regarding the starting salaries paid to new recruits in 2000/2001 and 2001/2002, together with anticipated salaries and incentives for 2002/2003.
- Chapter 3 – **Vacancies** – details numerical information related to the volume of vacancies on offer for the 2000/2001 recruitment year, and those on offer for 2001/2002, together with anticipated shortfalls.
- Chapter 4 – **Selection and Recruitment** – draws together information on recruitment policies, cycles, techniques and practices, work permits for international graduates, differential starting salaries and explores members' expectations of future recruitment volumes.

2 Starting Salaries

Newly qualified graduates are attracted and influenced by a number of factors when choosing an employer, with financial and non-financial ‘offers’ both playing an important part in their decision-making process. In addition, employers are also very aware of the influence that their company and employer brand may play in the graduate’s decision making process. In addition to obtaining a good starting salary, many graduates are also seeking an employment proposition that maximises their career and personal developmental opportunities, future earnings potential, and a good benefits package. Employers are, however, mindful that their remuneration package needs to be competitive to **attract and retain** the talent they need to maximise business performance. Employers’ interest in **benchmarking the starting salaries** offered to newly qualified graduates therefore remains high on the corporate agenda.

This chapter reports key benchmark data about starting salaries and London Weighting Allowances that members paid to new recruits in 2000/2001 and 2001/2002, and those **anticipated** in 2002/2003.

2.1 London Weighting Allowance

Overall, a London Weighting Allowance was offered by 28 per cent of organisations, with Financial and Legal firms being more likely to offer the largest allowances. This finding, as in previous surveys, is likely to reflect the freedom and ability that such firms have in being able to attract talent into London and to offer financial incentives to offset the higher cost of living.

- In the recruitment year 2000/2001, typical allowances ranged from £500 to £8,000 – with half offering £2,500 or less.
- In the recruitment year 2001/2002, allowances typically range from £600 to £8,000 – with just over half offering £3,000 or less – which is consistent with the £3,100 median reported by members who responded to the previous survey six months ago.
- Members anticipate typical allowances will remain similar in the year ahead, ranging from £600 to £8,000 in the forthcoming recruitment year 2002/2003 – with just over half expecting to offer £3,000 or less.

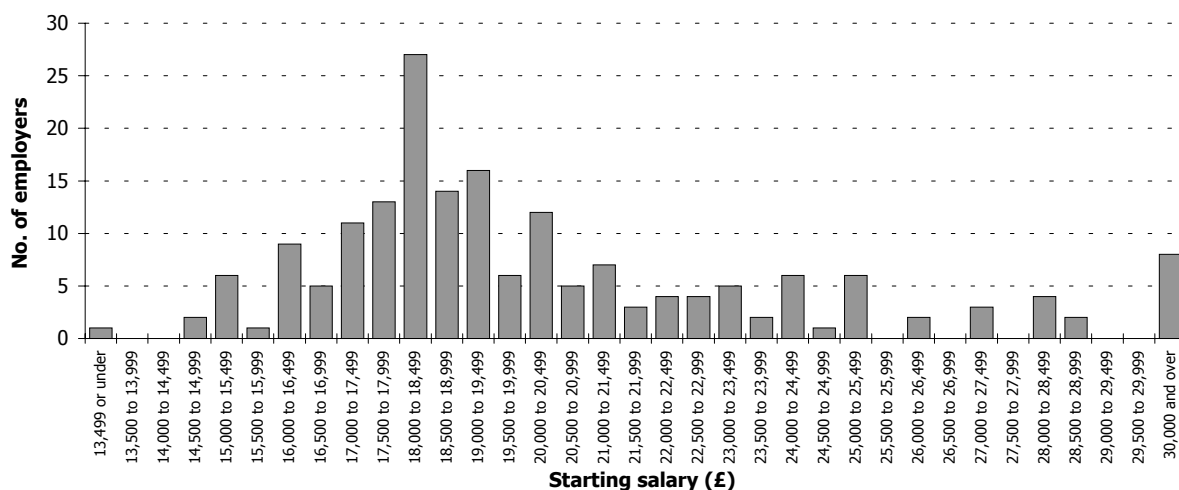
As in previous AGR reports, London Weighting Allowance has been excluded from all subsequent analysis and reporting of salaries, as it is not directly relevant to the majority of responding employers.

2.2 Salaries

As highlighted in earlier surveys, it should be remembered that bonuses, performance pay and share schemes form part of ‘earnings’ but **not basic salaries**. Therefore the salary statistics reported here may mask more significant increases in earnings for new graduates as some employers shift the balance between basic pay and variable elements of remuneration. The **median** value will be used, as in previous AGR reports, to describe salaries throughout this report, as extreme salaries (both high and low) can be misleading and distort the overall average salary. Again, as in previous years, graduate salaries continue to rise and outstrip inflation.

- In the recruitment year 2000/2001, typical starting salaries for new first-degree graduates ranged from £10,500 to £35,000 with a **median salary of £19,000**. This is consistent with salaries reported by AGR members responding to the previous survey six months ago.
- In the recruitment year 2001/2002, typical starting salaries for new first degree graduates range from £11,000 to £37,000 with a **median salary of £19,600**. This is slightly less than the £20,000 members predicted six months ago and the £19,800 predicted at this same time last year but these differences might be a function of the different samples.
- Salaries for new first-degree graduates are anticipated to range between £15,750 to £40,000, with a **median of £20,300** in the recruitment year 2002/2003.
- Only ten employers paid their new graduate intake over £28,000 in 2000/2001 and just 18 anticipate paying starting salaries over £28,000 to their 2002/2003 graduate intake – again these salaries illustrate those high salaries offered by a few AGR employers, as Figures 2 and 3 demonstrate.

Figure 2 Starting salaries paid by employers, £ (2000/2001 – all respondents)



NB: Salaries exclude London Weighting Allowance

N = 185

Source: IES/AGR 2002 Half-yearly Review

Figure 3 Starting salaries on offer by employers, £ (2001/2002 – all respondents)

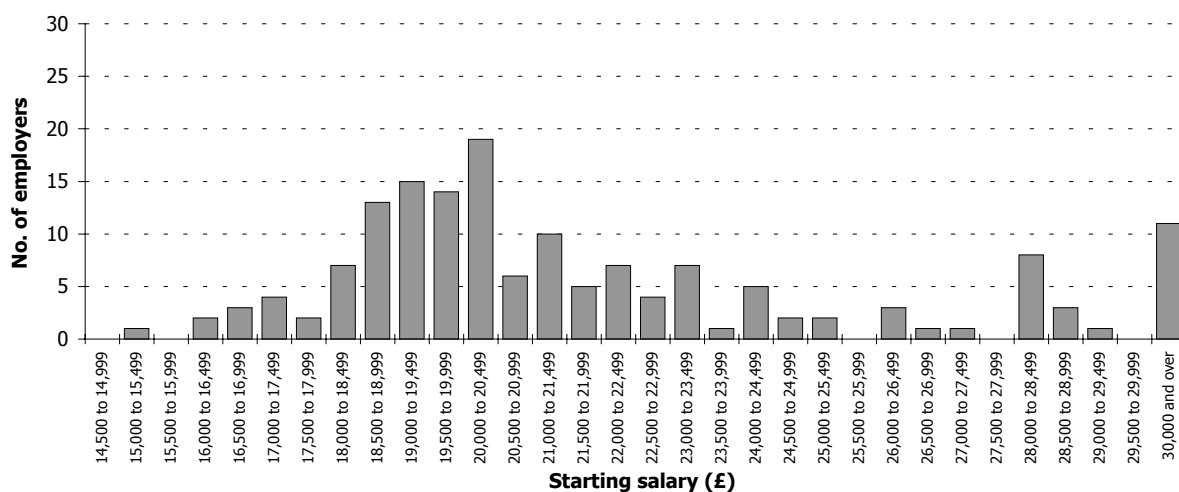


NB: Salaries exclude London Weighting Allowance

N = 195

Source: IES/AGR 2002 Half-yearly Review

Figure 4 Anticipated starting salaries by employers, £ (2002/2003 – all respondents)



N = 157

Source: IES/AGR 2002 Half-yearly Review

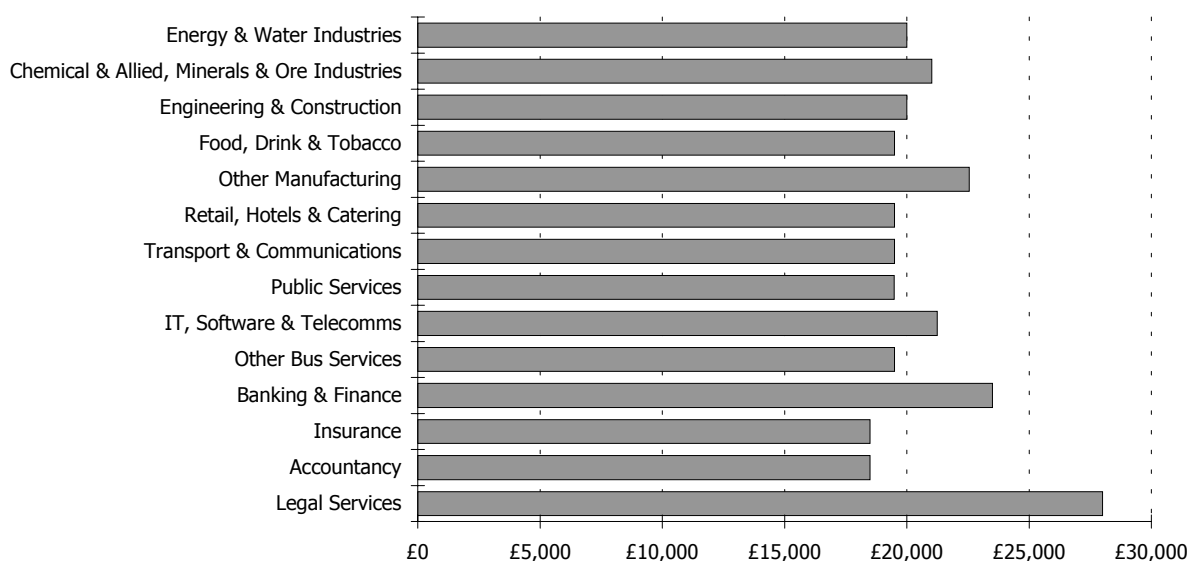
Further analysis of these salary data shows:

- Among the 178 organisations able to supply data for 2000/2001 and 2001/2002, salaries typically **rose by 4.2 per cent** over 12 months, as also predicted by members responding to the survey six months ago. In financial terms, this represents a typical rise of around £800.
- Graduate salaries rose by considerably higher than the current rate of inflation (1.1 per cent in the 12 months to May 2002) between 2000/2001 and 2001/2002, and ahead of average GB earnings (4.0 per cent, seasonally adjusted percentage change over the last 12 months to April, according to the Average Earnings Index).
- Looking ahead, members **anticipate** a smaller increase of **2.7 per cent** between 2001/2002 and 2002/2003, based on the 155 organisations supplying data for both years – a typical rise of around £500.
- Predicted salaries for 2002/2003 are expected to vary according to industry (see Figure 5). As in previous years, those responding from the Legal firms have paid, and expect to continue paying, the highest starting salaries, although interestingly their predicted salaries for 2002/2003 are no higher than those for the previous year (£28,000). Further information on this, and similar industry pay levels for 2001/2002 can be found in Appendix A.

The questionnaire asked members to provide salary data for three years but unfortunately, not all respondents provided information regarding the salaries for each of the three years and therefore **caution must be taken** when interpreting the proportionate increases from Figures 2 to 4. Table 1 offers an alternative view of these salary data, but is based upon the responses from those members who provided data for **all three years**. However, as they were fewer in number, their responses have been grouped according to sector to form a robust group.

The most common reason members gave for continuing to increase graduate starting salaries was to stay in line with the salaries being offered by other organisations in competition for graduates. One firm in the South East also explained that, being based in the South East, they were in competition with London firms which tended to pay higher salaries and that this led to ‘salary creep’ forcing graduate starting salaries up. Several respondents told us that they undertake benchmarking exercises to monitor the starting salaries on offer to graduates from competitor organisations.

Figure 5 Anticipated starting salaries (2002/2003), by industry



Source: IES/AGR 2002 Half-yearly Review

A small number of respondents reported that year on year increases in graduate starting salaries were constrained by the need to keep salaries consistent internally. One employer explained that it was important to prevent new salaries ‘leap-frogging’ the salaries of graduates who had been with the company for a year or more.

Table 1 Median starting salaries 2000/2001, 2001/2002 and 2002/2003, by sector

Broad industrial group	N	Salary paid 00/01	Salary offered 01/02	% increase 00/01-01/02	Anticipated salary 02/03	% increase 01/02-02/03
Financial and Legal	47	22,500	23,500	5.6	24,000	1.5
Services (excluding financial and legal)	46	18,500	19,250	3.5	20,000	2.7
Manufacturing, Production and Industrial	50	18,625	19,400	4.1	20,400	4.0
Total	143	18,800	19,800	4.3	20,500	2.7

NB: Salaries exclude London Weighting Allowance

Source: IES/AGR 2002 Half-yearly Review

2.3 Joining payments and incentives

AGR employers continue to offer newly qualified graduates a range of incentives to **attract talent** to their organisations. At this time last year, 28 per cent of members responding to that survey reported using ‘golden hellos’ or some form of signing on payment. This trend continues: 25 per cent of members responding to this survey reported offering some form of joining payment or incentive. Payments ranged from £500 to £11,000 with a median payment of £1,500. More than one in four (29 per cent) of those that offered joining payments offered £1,000. Further analysis of these data showed, as it did at this same time last year, that the Financial and Legal Sector were more likely than the other two sectors to offer such incentives.

Respondents offered joining bonuses in response to the burden of debt facing many students on graduation. Employers told us that the joining bonus was often seen as being useful to the new recruit as funds for:

- a deposit on rented accommodation – particularly where the recruit would be relocating
- buying appropriate work clothes
- helping them clear (at least part of) their student loan/debt.

Some members told us that their motivation for offering a joining bonus was somewhat altruistic, as the actual amount was not considerable. They were uncertain whether it had a great influence in a graduate's choice of employer, but considered it to be useful to some students who might be facing a financially difficult time. One also suggested that it contributed to equal opportunities by enabling candidates from less wealthy backgrounds to take up opportunities which they may otherwise have been denied due to lack of funds. Others reported that they used it as an added 'carrot' to enable them to attract the best candidates. A few also stated that they had to offer such a bonus in order to stay competitive, as their competitors were doing so.

Joining bonuses were also used in sophisticated ways by some employers. For example, one told us that, in previous years, they had offered £2,000 relocation expenses. However, the tax position with relocation expenses is such that many expenses for which graduates wished to claim were ineligible. This year, the recruiter has reduced the relocation package to £1,000 and is offering a £1,500 joining bonus. Since not all recruits qualify for a relocation package, the change in practice can be cost neutral to the employer but may make the package more attractive to some recruits. Another example was provided by an employer who uses the joining bonus to make an attractive package for new graduates. By making a 'one-off' payment they may reduce the risk of new salaries over-taking existing salaries within the organisation.

3 Vacancies

Statistics regarding the **volume of vacancies** members had on offer for the recruitment year 2000/2001 can be found in this chapter. As members received the questionnaire in the closing stages of the 2000/2001 recruitment year, they were also asked to estimate their vacancies and shortfalls for 2001/2002.

- Overall, respondents to this current survey (who provided data for both periods) reported that the total number of vacancies fell from 16,832 in 2000/2001, to an anticipated total of 15,742 vacancies in 2001/2002.
- Those organisations who provided vacancy figures for 2000/2001 and 2001/2002, predict an decrease of some 6.5 per cent overall during the next year, compared with the four per cent decrease members responding to the survey six months ago had expected. These statistics contrast sharply with the 14.6 per cent increase predicted by members responding to the survey at this time last year, and is likely to reflect changes to the market conditions and economy since last September.
- For 2001/2002, 39 per cent of all vacancies were offered by just ten of the 196 members responding to this survey – representing a total of 6,640 vacancies. As expected, and in line with previous surveys, the larger the organisation, the larger the intake anticipated for 2001/2002.

However, the anticipated fall in vacancies, as in previous years, is not uniform across all organisations.

- Some 32 per cent of responding organisations were intending to **increase** their graduate intake, and a further 29.5 per cent of employers were **expecting it to remain at the same level as last year**.
- Although most predicted a relatively modest change in vacancy numbers, there is a handful of recruiters spread across all industrial groups aiming for large changes to their intakes for 2001/2002. For example, eight organisations planned to reduce their intake by over 75 per cent (between them, these recruiters are offering 244 fewer opportunities in 2001/2002). At the other end of the scale, five organisations planned to at least double their intakes (between them, these recruiters are offering an extra 1,180 opportunities in 2001/2002).

Further analysis of these vacancy data reveal some interesting variations at a sub group level – according to respondents' industry, as Table 2 shows. These statistics have been calculated for those respondents who provided data for **both** years. The data show that the contraction in the graduate labour market may be restricted to certain industries, particularly within IT, Software and Telecoms, where a reduction of almost 40 per cent is expected.

Respondents who had severely contracted their graduate recruitment, generally reported that the cutback was likely to be temporary. For example, a de-merger or restructuring had made the future uncertain but the situation had stabilised now. Several explained that in the current economy they were reducing recruitment, but that they expected the economy to recover and recruitment to pick up within the next three years. Interestingly, one had experienced far higher retention of the previous year's graduate intake than they had in the past.

Table 2 Year on year change in vacancies, by industry

<i>Industry</i>	<i>No. of vacancies overall (2000/2001)</i>	<i>Anticipated vacancies next year (2001/2002)</i>	<i>% change</i>	<i>N</i>
Energy & Water	390	504	29.2	11
Chemical & Allied, Mineral & Ore	251	243	-3.3	10
Engineering & Construction	846	926	9.5	22
Food, Drink & Tobacco	118	122	3.4	8
Other Manufacturing	589	626	6.3	11
Retail, Hotels & Catering	1,030	1,053	2.2	14
Transport and Communications	639	652	2.0	8
Public Services	1,918	1,994	4.0	11
IT, Software & Telecoms	1,620	990	-39.0	18
Other Business Services	1,171	1,038	-11.4	12
Banking & Finance	1,874	1,498	-2.0	29
Insurance	112	107	-4.5	6
Accountancy	3,089	2,802	-9.3	15
Legal Services	3,185	3,187	0.6	21

Source: IES/AGR 2002 Half-Yearly Review

Respondents who had greatly expanded their graduate recruitment reported policy changes within the organisation. These policies were described as either recognising the value of graduates or developing more effective approaches to marketing the organisation to graduates. One reported that they had received a particularly high number applications from good candidates this year and had not wanted to turn them away.

3.1 Shortfall – anticipated

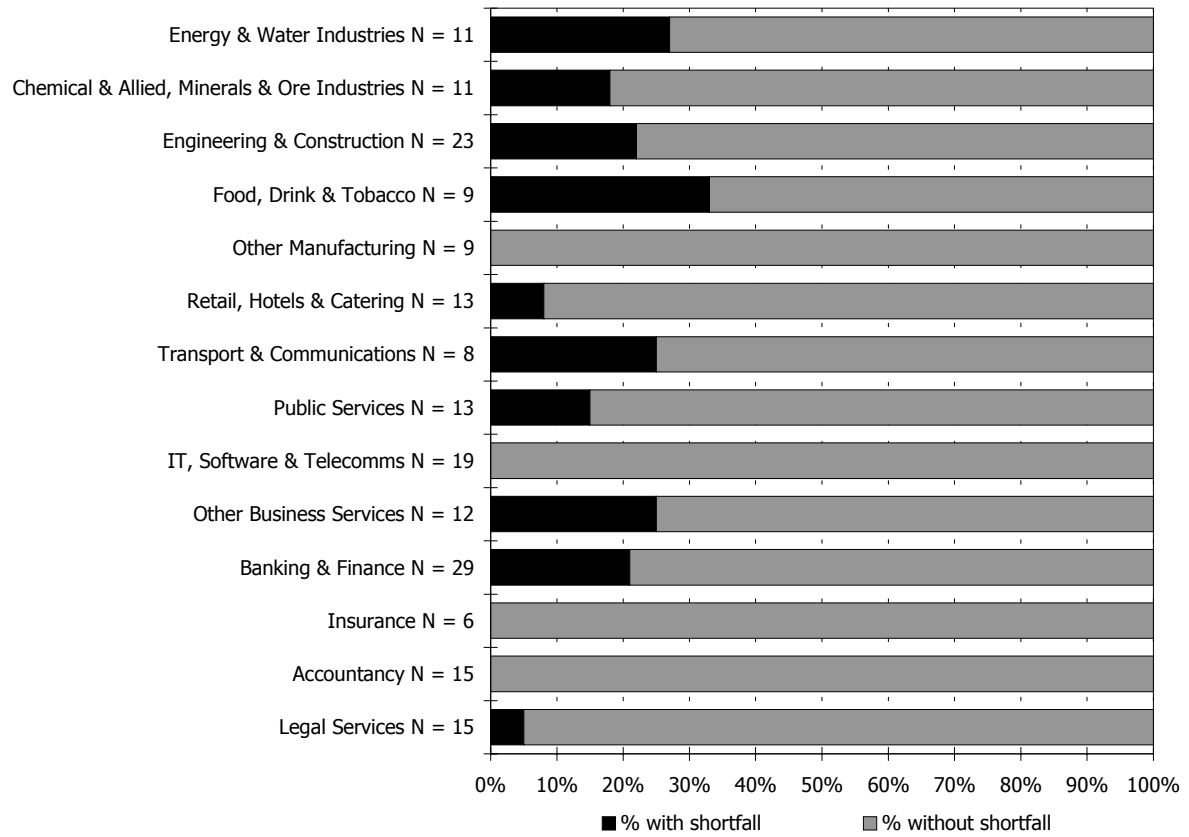
In the final stages of the 2001/2002 recruitment year, a smaller proportion of members (14 per cent) anticipated a shortfall for the year by comparison with last year's half-yearly review (for which the figure was 18 per cent).

- Although those expecting a shortfall predict relatively small shortfalls – over half of those affected estimated that the shortfall would be in the order of seven vacancies or fewer.

Although most industries expected some degree of shortfall, closer examination of all data shows:

- Shortfalls are most likely to occur in the Food, Drink & Tobacco industries, where one in three employers anticipate they will not fill all their vacancies.
- The total number of anticipated unfilled vacancies (for the year 2001/2002) among all respondents stands at 221.

Figure 6 Employers reporting a shortfall 2001/2002 by industry – all respondents



N = 176

Source: IES/AGR 2002 Half-yearly Review

4 Selection and Recruitment

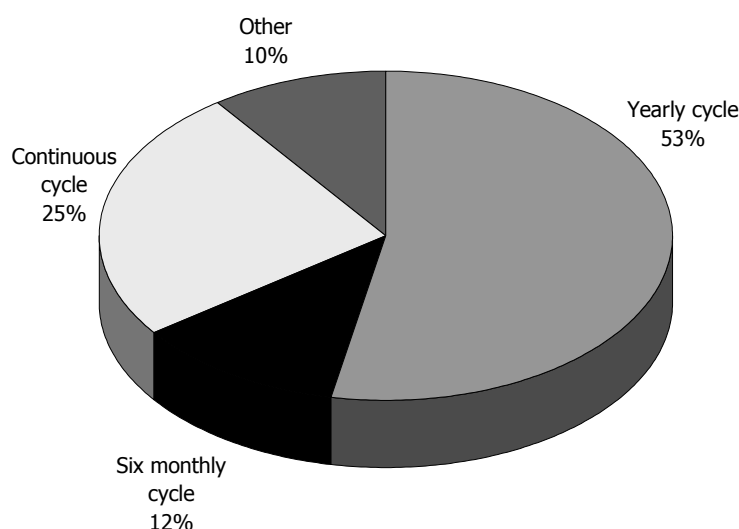
Attracting and retaining talent is critical to securing business success and maximising performance. Employers therefore need effective recruitment strategies and processes to ensure that they continue to **attract and retain** both the quality and quantity of graduates they need. In addition to the information members gave regarding the various aspects of selection and recruitment processes, this survey includes data regarding the recruitment of international students. This chapter summarises members' views regarding the take-up and value of different techniques employed by those responsible for making decisions.

4.1 The recruitment cycle

Figure 7 presents a very similar pattern to that of 12 months ago. Over half (53 per cent) of members reported recruiting their graduate intake at one fixed entry point per year, and a quarter (25 per cent) continue to recruit throughout the year. However, relatively high proportions (over half) of companies in Transport and Communication and in Chemical and Allied, Mineral and Ore recruited graduates throughout the year. However attractive, convenient or economic running with just one campaign might appear, some employers choose to retain a greater degree of freedom to minimise the risk and potential business consequences that might result from a reduction in their resourcing flexibility.

In order to understand the drivers for changes to members' typical graduate recruitment cycle, this year's survey included a question asking why respondents had changed their approach. Respondents volunteered the following reasons:

Figure 7 Graduate recruitment cycle, all respondents



N = 209

Source: IES/AGR 2002 Half-yearly Review

- Four reported that graduates wanted to apply throughout the year, not just through the milk-round, and as a result the companies concerned had moved to a continuous cycle of recruitment.
- Two were running an additional summer ‘top-up’ recruitment campaign to fill unfilled vacancies.
- One reported that their company had moved to a continuous cycle to speed up the recruitment process.
- Another had introduced a second recruitment point because they were doubling the number of graduates recruited.
- One company had changed the time of its recruitment campaign, focusing on the summer in order to attract more mature graduates, or others who had been travelling.
- Another had moved the time of its recruitment campaign forward, with the aim of attracting the ‘best’ graduates.
- One reported that it was changing the way graduates were deployed within the company and that this enabled it to take on graduates at four points in the year.
- Another had made changes in order to become more flexible, allowing graduates to join throughout the year to relieve the burden on the business of all their graduates joining at once.

4.2 Recruitment of international graduates

Fifty four respondents (26 per cent) had made a total of 640 applications for work permits for international students in the three years prior to the survey, of which 522 were successful (a success rate of 82 per cent). The Financial and Legal sector had the highest proportion of respondents who had made such applications, and a higher proportion of respondents employing less than 2,500 people had also made such applications, by comparison with larger firms.

Twenty-three respondents described the process as straightforward, smooth, quick and/or easy, while 14 respondents described it as drawn out, longwinded, time-consuming, expensive and/or bureaucratic, and two reported that they had outsourced the process as a result. One respondent reported that the process had become less arduous now that the firm had gained experience of handling applications. Three respondents reported that they only accepted applications from individuals requiring work permits if they were offering skills that were in short supply.

Other comments made about the process of applying for work permits for international graduates included the following:

- using the Work Permits UK website
- receiving applications from EU students
- recruiting within the EU due to employment law
- recruiting on training permits – then repatriating graduates to their country of origin
- having a substantial business case to support the application.

Most telephone respondents whose organisations had made work permit applications for international students reported that they were confident that they understood the rules and regulations surrounding these, or at least that other members of their team did. One or two were less sure. For example, one reported that communications from Work Permits UK were sometimes ambiguous. Another felt that they received mixed messages, with the government’s

stated priorities failing to be reflected in the official requirements. One used an external independent advisor to assist them with the process. Members' responses suggest that a number believe that they add value to the business. However, it appears that, for some, there may be barriers and a need to gain additional support in the short term. Processes may need to become embedded before some employers understand the process and therefore gain a return on their investment of recruiting international graduates.

4.3 Allowances paid for graduate characteristics

In the recruitment year October 2001/2002, 31 per cent of respondents had started their new graduate intake on salaries that varied, by paying more or less than the company average for newly qualified graduates. This practice was more common in the Manufacturing, Production and Industrial sector than in other sectors.

Table 3 Proportion of employers offering salary differential in 2001/2002 recruitment year (percentage and number offering differential)

	<i>Percentage offering</i>	<i>Number offering</i>
PhD/Dphil	24	51
MSc/MPhil/MA	22	47
Relevant work experience (excl. Sandwich)	21	45
MBA	15	31
Sandwich degree	11	23
Students you have sponsored	9	19
Mature graduates (aged 25+)	8	16
First class degrees	7	14

N = 210

Source: IES/AGR 2002 Half-Yearly Review

Table 3 shows the proportion of respondents who offered such differentials to graduates according to various factors. As can be seen, the most common characteristics to attract a salary differential are postgraduate qualifications and a relevant period of work experience.

Not all respondents who reported offering such differentials were able to tell us the actual salary offered, but the salary differentials that were known are outlined in Table 4 in terms of the cash equivalent, and in terms of the percentage of salary. Overall, the differentials offered across all types of graduate had a median value of around £2,700. Table 4 illustrates the considerable differences in payments according to each of the graduate characteristics, the greatest range of which is evident for graduates with MBAs, where some companies recruited MBA graduates on salaries over twice those offered to a typical new first degree graduate. The wide-ranging differentials also included some employers who were offering starting salaries which were **lower** than their usual starting salary; this is likely to refer to graduate applicants **without** work experience *etc.*, or whom they have not personally sponsored. (The small base size of Table 4 should be noted where, for example, the table gives the impression that mature graduates also typically received high differential salaries, but this is based on only four respondents.)

Table 4 Salary differentials (in comparison with usual starting salaries) in cash equivalent, and percentage equivalent (N = those who provided salary details)

	<i>Median cash differential</i>	<i>Range cash differential</i>	<i>Median % differential</i>	<i>Range % differential</i>	<i>N</i>
MBA	13,250	500 to 35,500	50	3 to 116	16
Mature graduates (aged 25+)	5,500	1,000 to 14,000	27	6 to 54	4
PhD/Dphil	2,312	200 to 16,500	11	1 to 60	32
MSc/MPhil/MA	1,000	200 to 5,000	5	1 to 17	34
Relevant work experience (excl. Sandwich)	1,000	-5,900 to 5,000	5	-28 to 17	29
Other types of graduate	750	-9,000 to 5,820	5	-26 to 34	16
Sandwich degree	600	-2,000 to 5,000	3	-9 to 17	15
Students you have sponsored	500	-750 to 3,000	3	-4 to 14	13
First class degrees	500	500 to 700	3	2 to 4	7

Source: IES/AGR 2002 Half-Yearly Review

One or two members also offered differentials for those recruited to **specific roles** for example:

- interns and trainees (who generally attracted less than the usual starting salary)
- those identified for a 'fast-track' scheme.

Others offered differentials for **certain skills** such as:

- European language
- other 'relevant' qualifications, or qualifications that were job specific
- skills identified at an assessment centre
- a second degree
- engineering graduates
- those who had undertaken a placement with the recruiting employer.

4.4 Techniques and issues

- This Half-yearly review continues to provide members with up to date information regarding their selection and recruitment activities. Their responses are summarised, together with their views towards the value of the activities, in Table 5. As in earlier reports, the far right of the table shows the average scores awarded by respondents with direct experience of each technique, on a scale ranging from one to seven (one being counter-productive and seven being extremely useful). 'Evaluating at assessment centres' was (as for the last two years) considered to be **the most useful** recruitment technique and 'Outsourcing the whole process' to be the **least useful**. Further analysis of these data showed:

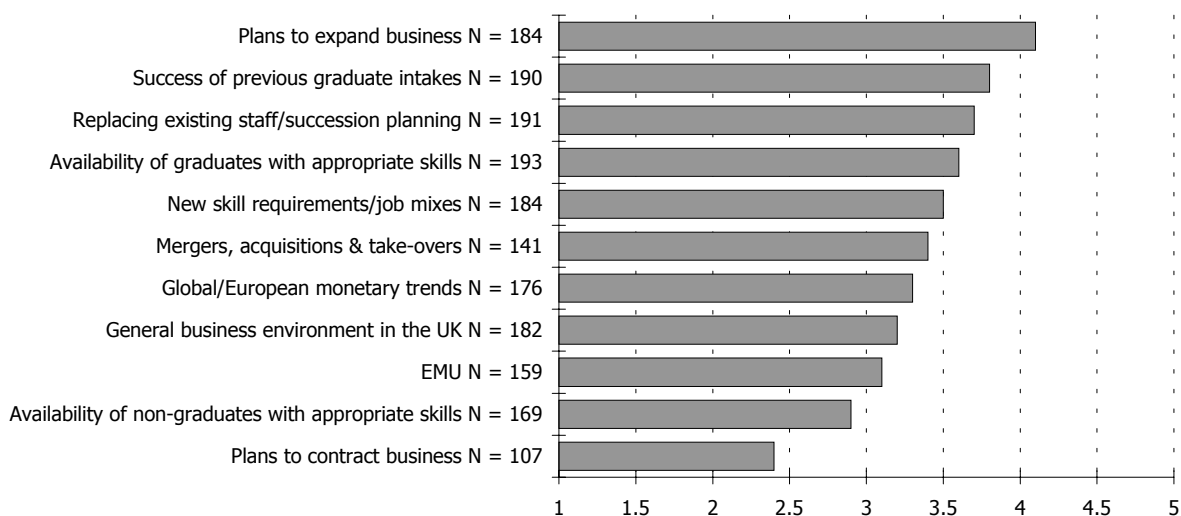
Table 5 Usage and usefulness of recruitment techniques (percentage and mean score)

	<i>Used in the past</i>	<i>Use now</i>	<i>Plan to use</i>	<i>Never used</i>	Counter productive 1 2 3 4 5 6 7	Usefulness	Extremely useful
Targeting of:							
Specific universities	15	75	5	5		5.5	
Specific departments/courses	8	66	9	17		5.5	
Universities outside the UK	6	17	11	66		4.5	
MBA's	7	15	6	73		4.0	
Other Post-graduates (excl MBA's)	6	37	3	55		5.0	
Students prior to final year	10	62	8	20		5.5	
Graduates in employment	8	61	7	24		5.0	
Graduates in your employment	10	56	4	30		5.0	
Diversity							
Ethnic minorities	10	33	11	47		4.5	
Graduates with disabilities	5	26	8	61		4.5	
Mature graduates	3	19	7	70		5.0	
Graduates by gender	4	22	6	69		4.5	
On-line:							
Use Internet to describe & advertise typical vacancies	7	90	3	1		5.5	
Receive completed application forms from Internet	5	70	18	7		6.0	
Dispense with recruit' brochure in favour of Internet	5	20	16	59		5.0	
Use dedicated recruitment websites	10	69	6	15		5.0	
Methods:							
Shortlists by 'A' level points	10	51	3	38		5.0	
Shortlists by degree classification	9	71	2	19		5.5	
Specifies competencies in advert	10	62	6	22		5.0	
Specifies shortlisting criteria in advert	8	42	4	47		5.0	
Evaluating at assessment centres	6	77	4	13		6.5	
External:							
Outsourcing whole process	3	2	2	95		3.5	
Outsourcing part of process	11	30	4	55		5.0	
Uses recruitment agencies	18	16	0	66		4.0	

Source: IES/AGR 2002 Half-Yearly Review

- Members' perceptions of the value of using assessment centres did not vary very much by industry, sector or size of organisation.
- As last year, the **Internet** continues to be the most frequently used technique with 90 per cent '*Using the Internet to describe/advertise typical vacancies*'. '*Receiving completed application forms from the Internet*' and '*Using the Internet to describe and advertise vacancies*' were voted the second and third most useful techniques. An additional question introduced to this current survey revealed that over two-thirds (69 per cent) reported '*Using dedicated recruitment Websites*' demonstrating further the key role that the Internet now plays in the selection and recruitment process.
- Contrary to last year's finding, larger organisations tended to rate the usefulness of '*Using the Internet to describe and advertise vacancies*' higher than did smaller organisations. However, as last year, smaller organisations (employing less than 1,000) rated the usefulness of '*Outsourcing part of the process*' higher than other organisations. Again, this might reflect many smaller employers not having a dedicated HR function or resource.
- Service sector companies (excluding Financial and Legal) gave '*Targeting of Universities outside the UK*' a lower rating than did other sectors. Telephone respondents from this sector told us that they had no problem meeting their recruitment needs from UK universities. Therefore, they were not motivated to undertake the extra work involved in targeting foreign universities and in arranging the employment of a foreign national. One was discouraged by the need to obtain work permits for non-EU graduates. A few also reported that they had no difficulties recruiting, and were able to recruit such a wide range of graduates that it would be difficult to identify which overseas universities they should target.
- Respondents from the Service sector rated the usefulness of '*Dispensing with recruitment brochure in favour of Internet*' higher than did respondents in the other sectors (a mean score of 6.0 for the service sector compared with 5.1 for the Financial and Legal sector, and 4.7 for the Manufacturing/Production/Industrial sector. The Service sector, however, was no more likely to have replaced their brochure with web-based recruitment than were other sectors.
- Similarly to this time last year, the majority of respondents continue to target both students and universities, specific departments or courses. Some employers seeking technical capability or knowledge often target universities and departments that have a good 'track-record' of supplying the calibre of candidate they are seeking from specific disciplines. Graduate recruiters also continue to visit 'chosen' universities and run road shows in order to market their organisations to students. However, as such activities can be very time and resource intensive, they are restricted in the number of establishments they can visit. They therefore often choose to return to the ones that are already known to supply the quality and quantity of graduates they need. Whilst such practice might secure the graduate intake required, employers should be mindful that such practice does not compromise or conflict with their diversity agenda or equal opportunity policies.
- The perceived importance of diversity would appear to have reduced for employers during the last year. The proportion of respondents specifically targeting ethnic minorities, graduates with disabilities, mature graduates and/or graduates by gender was smaller this year by comparison with last. This may be a result of the organisation having implemented such policies successfully, or facing fewer difficulties by the usual methods.

Figure 8 Impact on graduate recruitment over the next three years



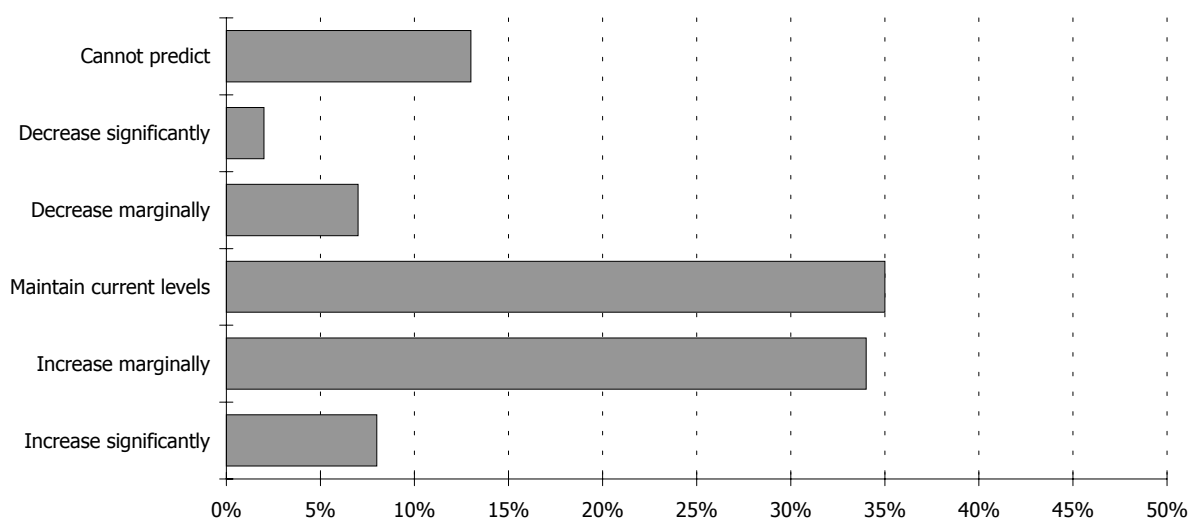
Source: IES/AGR 2002 Half-yearly Review

4.5 Longer-term recruitment policy

Figure 8 shows the degree of impact that respondents expect certain issues to have on graduate recruitment levels in their organisations over the next three years. A score of one indicates the most negative impact (*ie* a decrease in the number of places available) and a score of five the most positive impact (*ie* an increase in the number of places available). As one might expect, plans to expand the business were anticipated to have the most positive impact and plans to contract the most negative. Successful graduate intakes strengthen confidence to recruit more in future years. The availability of non-graduates with appropriate skills is not expected to have great impact on graduate recruitment, and this did not vary according to the different industries.

Figure 9 suggests employers have confidence in the graduate labour market and business stability in the medium term. Only nine per cent of respondents expected to reduce their graduate intakes

Figure 9 Expected change in graduate recruitment over the next three years (percentage)



N = 210

Source: IES/AGR 2002 Half-yearly Review

over the next three years, while 42 per cent expected to increase it and a further 35 per cent plan to maintain current levels of intake. Compared with the other sectors, a relatively small proportion of Manufacturing, Production and Industrial sector respondents anticipated increasing graduate recruitment, and a relatively high proportion anticipated graduate recruitment remaining at current levels. This suggests that firms in this sector continue to struggle in a competitive marketplace.

Appendix A: Survey Respondents

This Appendix shows survey respondents clustered into their respective industry groups. **It should be noted that allocation to a specific industry was dependent on the respondents' self-selection on the questionnaire.** As with previous surveys (see Chapter 1) some of the smaller industries have been combined with others in order to protect the confidentiality of respondents.

Alongside each industry, the median starting salary for 2000/2001, the median salary being offered for 2001/2002 and the median anticipated salary for 2002/2003 is shown.

Please note that fewer organisations were able to provide data for 2002/2003. In addition, some organisations have offered more conservative estimates for 2001/2002, which may result in overall salaries **appearing lower than the previous year.**

ENERGY & WATER INDUSTRIES

2000/2001 Median starting salary paid = £19,000

2001/2002 Median starting salary offered = £19,500

2002/2003 Median starting salary anticipated = £20,000

BG Group	National Grid Company plc
BNFL plc	Powergen UK plc
British Energy Group	Scottish Power
Centrica plc	Shell International Ltd
Exxon Mobil	Thames Water plc
Kvaerner E & C	

CHEMICAL & ALLIED INDUSTRIES AND MINERAL & ORE INDUSTRIES

2000/2001 Median starting salary paid = £19,000

2001/2002 Median starting salary offered = £20,000

2002/2003 Median starting salary anticipated = £21,025

AstraZeneca	Merck Sharp & Dohme Ltd
The BOC Group	Pfizer Global Research
Croda International plc	PGS Exploration (UK) Ltd
Huntsman Tioxide Ltd	Reckitt Benckiser
ICI plc	Schlumberger
Johnson Matthey plc	UCB Films plc

ENGINEERING AND CONSTRUCTION

2000/2001 Median starting salary paid = £18,000

2001/2002 Median starting salary offered = £19,000

2002/2003 Median starting salary anticipated = £20,000

3Com Europe Ltd	Hymatic Engineering Co Ltd
ABB Ltd	Jaguar & Land Rover
Air Products plc	Laing Homes Ltd
Alstom Power Industrial Gas Turbines	M W Kellogg Ltd
Arup Group	Mott MacDonald Ltd
Bechtel Ltd	Mouchel Consulting Ltd
Bombardier Transportation	Novar plc
Carillion	Peugeot Motor Co
Caterpillar	Pilkington plc
Countryside Properties plc	Rolls-Royce plc
E C Harris	Sir Robert McAlpine Ltd
Faber Maunsell	Taylor Woodrow Construction plc

FOOD, DRINK AND TOBACCO

2000/2001 Median starting salary paid = £19,000

2001/2002 Median starting salary offered = £20,000

2002/2003 Median starting salary anticipated = £19,500

Grampian Food Group	Nestlé UK Ltd
Imperial Tobacco Ltd	Northern Foods plc
Kerry Group	Samworth Brothers
Masterbrands (Mars incorporated)	Tate & Lyle Europe

(plus one other organisation who asked not to be named)

OTHER MANUFACTURING

2000/2001 Median starting salary paid = £20,500

2001/2002 Median starting salary offered = £22,250

2002/2003 Median starting salary anticipated = £22,550

3M UK plc	Kodak Ltd
Corus Group plc	L'Oreal UK
Cussons International	Proctor & Gamble UK
Ford Motor Company	Unilever UK
General Electric International Inc	Vauxhall Motors Ltd
Kimberly-Clark Ltd	

RETAIL, HOTELS & CATERING

2000/2001 Median starting salary paid = £18,500

2001/2002 Median starting salary offered = £18,750

2002/2003 Median starting salary anticipated = £19,500

Arcadia Group plc	Matalan Retail Ltd
Asda Stores	McDonalds Restaurants Ltd
Aldi Stores Ltd	Safeway plc
B&Q plc	Tesco Stores Ltd
Debenhams Retail plc	W H Smith Ltd
Greggs plc	Waitrose Ltd
John Lewis Partnership	Woolworths plc
Marks & Spencer plc	

TRANSPORT & COMMUNICATIONS

2000/2001 Median starting salary paid = £18,500

2001/2002 Median starting salary offered = £19,000

2002/2003 Median starting salary anticipated = £19,500

Cable & Wireless Communications	National Air Traffic Services
Christian Salvesen plc	Railtrack
Enterprise Rent-a-Car	T-Mobile
e-peopleserve	Wincanton Logistics
Exel plc	

PUBLIC SERVICES

2000/2001 Median starting salary paid = £17,667

2001/2002 Median starting salary offered = £18,500

2002/2003 Median starting salary anticipated = £19,486

Accelerated Promotion Scheme for Graduates in Police Service	Highways Agency
British Army	Leadership in the NHS
Cabinet Office	Ministry of Defence
Department for Education & Skills	National Audit Office
Employers Association Local Government	The Patent Office
GCHQ	Royal Air Force
HM Treasury	Transport for London Street Management
HM Prison Service	

IT, SOFTWARE & TELECOMS

2000/2001 Median starting salary paid = £19,450

2001/2002 Median starting salary offered = £21,000

2002/2003 Median starting salary anticipated = £21,250

Accenture	Marconi plc
AIT Group plc	Mi Services Group
Altera	Misys International Banking Systems Ltd
BARRA International Ltd	Oracle Corporation
CMG UK Ltd	Siemens plc
Compaq Computers Ltd	Sun Microsystems Ltd
Computacenter (UK) Ltd	Syntegra
EDS (UK) Ltd	Thales
Elevon	Vodafone UK Ltd
Hitachi Europe Ltd	Worldcom
Logica	

OTHER BUSINESS SERVICES

2000/2001 Median starting salary paid = £18,000

2001/2002 Median starting salary offered = £18,500

2002/2003 Median starting salary anticipated = £19,500

Booz Allen Hamilton	QinetiQ
BUPA	Rentokil Initial plc
Consignia plc	Spirit Health & Fitness, Bass Hotel & Resort
Halcrow Group Ltd	Unisys Ltd
Haymarket Business Publications Ltd	WS Atkins
McKinsey & Company	Yell Ltd

BANKING & FINANCE

2000/2001 Median starting salary paid = £23,125

2001/2002 Median starting salary offered = £23,500

2002/2003 Median starting salary anticipated = £23,500

Abbey National plc	Ford Credit Europe plc
Abbey National Treasury Services	Halifax plc
Alliance & Leicester plc	HECM Customer Services Ltd
Bank of England	Hong Kong & Shanghai Banking Corp
Baker Tilly	HSBC Bank plc
Barclays Bank plc	ING
Capital One	Investec Bank (UK) Ltd
CIBC World Markets plc	Lloyds TSB plc
Citigroup	Morgan Stanley
Commerzbank Securities	National Australia Group Europe
Coutts & Co	Nationwide Building Society
Deutsche Bank	Société Générale
Dresdner Kleinwort Wasserstein	Standard Life Assurance Company
Fidelity Investments	Watson Wyatt Partners
Financial Services Authority	

INSURANCE

2000/2001 Median starting salary paid = £17,375

2001/2002 Median starting salary offered = £18,625

2002/2003 Median starting salary anticipated = £18,500

Co-operative Insurance Society Ltd	Norwich Union
Cornhill Insurance plc	Provident Financial Insurance Division
EULER Trade Indemnity plc	Towers Perrin

LEGAL SERVICES

2000/2001 Median starting salary paid = £24,000

2001/2002 Median starting salary offered = £28,000

2002/2003 Median starting salary anticipated = £28,000

Addleshaw Booth & Co	Linklaters
Allen & Overy	Lovells
Berwin Leighton Paisner	Nabarro Nathanson
Clyde & Co	Osborne Clarke
CMS Cameron McKenna	Richards Butler
Clifford Chance	S J Berwin & Co
DLA	Simmons & Simmons
Eversheds	Stamp, Jackson & Procter
Gouldens	Stephenson Harwood
Hammond Suddards Edge	Taylor Joynson Garrett
Herbert Smith	

ACCOUNTANCY

2000/2001 Median starting salary paid = £17,000

2001/2002 Median starting salary offered = £17,500

2002/2003 Median starting salary anticipated = £18,500

Audit Commission	Kingston Smith
BDO Stoy Hayward	KPMG
Deloitte & Touche	Moore Stephens
Ernst & Young	Pannell Kerr Forster
Grant Thornton	Price Waterhouse Coopers
HAT Group of Accountants	SCA Packaging Ltd
HW Fisher & Co	Saffery Champness
Horwath Clark Whitehill	



GRADUATE SALARIES AND VACANCIES SURVEY 2002 HALF-YEARLY REVIEW

Confidential to the Institute for Employment Studies

Please answer the following questions as fully as you are able by ticking the boxes or writing in the spaces provided. Please return the completed questionnaire to IES in the reply-paid envelope provided. If you have any queries, please contact Jo Regan (01273 873651) at IES. Fax: 01273 640930; email: jo.regan@employment-studies.co.uk.
Thank you for your co-operation.

Throughout this questionnaire a 'typical' graduate is 21 years old with a second class honours degree

Starting Salaries

1. Do you offer a London Weighting Allowance to **any** of your typical new first degree graduates?

Yes No

2. If **yes**, please state the average London Weighting Allowance for each of the following recruitment years:

Paid: £ pa Oct 2000-2001 Offering: £ pa Oct 2001-2002 Anticipated: £ pa Oct 2002-2003

3. Excluding London Weighting, please state the average graduate starting salary for typical new first degree graduates for each of the following recruitment years:

Paid: £ pa Oct 2000-2001 Offering: £ pa Oct 2001-2002 Anticipated: £ pa Oct 2002-2003

4. Do you offer 'golden hellos' or joining payments/incentives?

Yes No If **yes**, how much for Oct 2001-2002 £

Graduate Recruitment

5. How many vacancies for new first degree graduates:

Did you have in the recruitment year Oct 2000-2001?

Do you anticipate in the recruitment year Oct 2001-2002?

6. Do you anticipate any shortfall in the recruitment year Oct 2001-2002?

Yes No Don't know

7. If **yes**, how many unfilled vacancies do you anticipate?

Recruitment of International Students

8. How many successful and unsuccessful applications for work permits for international students have you made in the last three years?

Successful Unsuccessful

9. Please could you comment on your experience of this process:

Allowances Paid for Graduate Characteristics

10. Has your organisation made any distinction in the starting salaries paid to new graduates in October 2001-2002 by paying more or less than your company average dependent on age, degree type, degree class *etc.* ?

Yes No Don't know

11. Please indicate whether different types of graduate receive a differential, by ticking 'Yes' or 'No' or 'Don't know'. Please also enter the average starting salary paid to these particular graduates (*excluding any London Weighting*).

	Yes	No	Don't know	Total salary paid 2001-2002
Mature graduates (aged 25+)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
First class degrees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
PhD/DPhil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
MSc/MPhil/MA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
MBA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Relevant work experience (excl. Sandwich)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Sandwich degree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Students that you have sponsored	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Other (<i>please specify</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>

Longer Term Recruitment Policy

12. We are interested in your longer term graduate recruitment policy. Please indicate what impact you believe the following issues will have on graduate recruitment in your organisation over the next three years. (*Please circle one number per row, or circle N/A if not applicable*) (NB: A negative impact means a decrease in the number of places available, and a positive impact means an increase).

	Negative impact		No impact		Positive impact	
Plans to expand business	1	2	3	4	5	N/A
Plans to contract business	1	2	3	4	5	N/A
Mergers, acquisitions and take-overs	1	2	3	4	5	N/A
General business environment in the UK	1	2	3	4	5	N/A
Global/European business trends	1	2	3	4	5	N/A
European Monetary Union	1	2	3	4	5	N/A
Replacing existing staff/succession planning	1	2	3	4	5	N/A
New skill requirements/job mixes	1	2	3	4	5	N/A
Success of previous graduate intakes	1	2	3	4	5	N/A
Availability of non-graduate with appropriate skills	1	2	3	4	5	N/A
Availability of graduates with appropriate skills	1	2	3	4	5	N/A

13. Please indicate below your expectation of graduate recruitment over the next three years: (*Please tick one box*)

To increase recruitment significantly To decrease recruitment marginally
 To increase recruitment marginally To decrease recruitment significantly
 To maintain current levels of recruitment Cannot predict at all

Recruitment Techniques and Issues

14. In the first four columns please indicate your usage of the following practices: *(Please tick **one** box per row)*

For those you have used in the past, or currently use, please rate their usefulness using a scale of 1 to 7, where 1 is counter productive, 4 is neutral and 7 is extremely useful: *(Please **circle** the appropriate number)*

	Used in the past	Use now	Plan to use	Never used	The usefulness of the measure								
					Counter productive					Extremely useful			
Targeting of:													
Specific universities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Specific departments/courses/disciplines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Universities outside the UK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
MBA's	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Other post graduates (excl. MBAs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Students prior to their final year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Graduates already in employment/the labour market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Graduates already in your employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Specific targeting of:													
Ethnic minorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Graduates with disabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Mature graduates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Graduates by gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
On-line:													
Using the Internet to describe and advertise vacancies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Receiving completed application forms from the Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Dispensing with your recruitment brochure in favour of the Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Use of one or more dedicated recruitment websites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Methods:													
Shortlisting by 'A' level points/scores	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Shortlisting by degree classification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Specifying competencies in adverts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Specifying shortlisting criteria in adverts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Evaluating at assessment centres	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
External:													
Outsourcing the whole process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Outsourcing part of the process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Using recruitment agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
Other recruitment techniques/issues not specified <i>(please specify)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	2	3	4	5	6	7	N/A	
.....													

15. Which of the following statements best describes your typical graduate recruitment cycle?

(Please tick **one** box only)

- Yearly cycle – with only one fixed entry date per year
- Six monthly cycle – with two fixed entry dates per year
- Continuous cycle – with entry at any time during the year
- Other (please specify).....

16. If you have changed your approach (to your typical graduate recruitment cycle) in the past year, can you explain why?

.....

.....

Sector Information

17. What is your organisation’s main business activity: (Please tick **one** box only – See also the enclosed "Notes for Completion")

Manufacturing, Production, & Industrial	Services (excl. Financial/Legal)	Financial and Legal Sector
Energy & water industries <input type="checkbox"/>	Hotels & catering etc <input type="checkbox"/>	Banking & finance <input type="checkbox"/>
Mineral & ore industries <input type="checkbox"/>	Retail industry <input type="checkbox"/>	Insurance <input type="checkbox"/>
Chemical & allied industries <input type="checkbox"/>	Transport & communication <input type="checkbox"/>	Accountancy <input type="checkbox"/>
Engineering <input type="checkbox"/>	Public services <input type="checkbox"/>	Legal services <input type="checkbox"/>
Electrical/ronic engineering (incl telecoms) <input type="checkbox"/>	IT & software services <input type="checkbox"/>	
Construction <input type="checkbox"/>	Other business services <input type="checkbox"/>	
Food, drink & tobacco <input type="checkbox"/>		
Other manufacturing <input type="checkbox"/>		

18. In **total**, how many people are currently employed by your organisation in the United Kingdom?

- | | | |
|--------------------------------------|---------------------------------------|----------------------------------------|
| 1 – 249 <input type="checkbox"/> | 250 – 999 <input type="checkbox"/> | 1000 – 2499 <input type="checkbox"/> |
| 2500 – 4999 <input type="checkbox"/> | 5000 – 19999 <input type="checkbox"/> | 20000 or more <input type="checkbox"/> |

In order to broaden the commentary in the report, a few respondents will be asked to participate in a short telephone interview. If you would **not** be willing to participate please put a cross in the box.

(All information supplied will remain strictly confidential. Data on individual organisations will not be published, although organisations will be named in the report in the list of respondents. See also "Notes for Completion")

Your name and job title:.....

Your organisation:.....

Your telephone number:.....

Your email address:.....

Thank you for completing this questionnaire

Please return this questionnaire to: The Institute for Employment Studies, Mantell Building, University of Sussex, Falmer, Brighton, BN1 9RF in the reply paid envelope provided.