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Understanding Employers' Graduate
Recruitment and Selection Practices:
Main report

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Understanding employers' graduate recruitment and selection practices

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Participating organisations

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The Institute for Employment Studies

The Institute for Employment Studies (IES) is an independent, apolitical, international centre of research and consultancy in public employment policy and organisational human resource issues. It works closely with employers in the manufacturing, service and public sectors, government departments, agencies, and professional and employee bodies. For over 40 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 over 30 multidisciplinary staff and a network of international associates. IES expertise is available to all organisations through research, consultancy, publications and the Internet. For further details please visit: www.employment-studies.co.uk

HECSU

Established in 1972, the Higher Education Careers Services Unit (HECSU) is an independent charity specialising in higher education and graduate employment research. We seek to support careers advisory services as they guide students and graduates through university and into the labour market. We aim to:

- improve the dissemination of information about higher education and graduate employment;

- contribute to knowledge of student and graduate career development and employment by conducting and commissioning research;

- work with careers advisers, academic staff, and employers to support graduate employability.

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Executive Summary

Exploring employers' graduate recruitment and selection practices

This research examined the approach to graduate recruitment adopted by employers and how this has evolved in recent years. In particular the study aimed to explore patterns in graduate recruitment, behaviours of graduate employers and interactions between graduate employers and universities. It therefore provides a picture of long-term trends in practice from pre-recruitment activities through to entry, induction and beyond, and before, during and after the recession; and indicates the ways in which employers' thinking about recruitment and selection have, and are, changing and developing. The research was driven by a need to update the evidence and understanding of recruitment practice as the population of graduates has increased dramatically and become more heterogeneous; the labour market has changed, emerging from difficult economic conditions; and there is increasing policy interest in diversity and particularly in social mobility.

The research was primarily qualitative, with the core of the research[1] consisting of a large number (76) of in-depth telephone interviews and two workshops with a range of graduate recruiters to understand what they do and why. This captured a wide variety of viewpoints and reflected the full range of employer characteristics (including size, sector and location). The interviews and workshops explored experiences and history of graduate recruitment; gained insights into recruitment and selection behaviour, including whether (how and why) this has changed over time; probed into the rationale for the approaches taken, the motivations, drivers and factors influencing choice of recruitment and selection methods; examined the successes achieved and/or challenges faced in recruitment and selection; and captured insights into the outcomes (intended and unintended) of different approaches. The qualitative data gained from employers were transcribed and analysed using a computer based qualitative analysis tool to identify themes, similarities and differences in practice, and to enable the selection of illustrative quotes and vignettes.

A number of stakeholders were also interviewed including Heads of Careers Services in a number of universities; and representatives of professional bodies, policy bodies, graduate recruitment organisations, employer bodies, organisations supporting students and graduates, and academics (30 in total). They were asked about perceived current and future challenges facing graduate employers in recruiting and selecting graduates; employers' plans and activities regarding recruitment and selection and how these may be changing; the support provided by other organisations including the employer/university interaction; the effectiveness of different approaches; and the potential influence of the social mobility agenda on practice.

In addition analysis was undertaken of key employer, student and graduate surveys, alongside a detailed review of existing research literature and commentary to provide further evidence and contextual data (much of this is reported separately in the evidence annexe).

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[1] The research was completed in Autumn 2014

The qualitative approach to the study had the benefit of much deeper exploration of issues than would have been possible with a dedicated employer survey, and in particular an understanding of why employers were behaving in certain ways. Although a large and diverse range of employers were included in this research, the interview data cannot be interpreted as being statistically representative of all graduate recruiters in England or be used to describe the numbers and proportions of organisations displaying particular characteristics or behaviours. However it represents a much broader range of organisations than many studies conducted which tend to represent the views of large employers only.

Even so, the employers participating in this study were probably more progressive and reflective than UK graduate recruiters overall. Some were approached because they had won awards for graduate recruitment, including in the area of diversity.

Ten key themes emerging from the employer perspective

1.   A diverse and competitive market for both employers and students

The supply of graduates has become larger and more diverse. The number of students graduating from UK institutions has risen steadily and the social background of graduates appears to be broadening. This rise in graduate numbers has fuelled debates around the over-education and under-employment of graduates and the erosion of the graduate premium and this has not been helped by the challenging economic climate in recent years.

Indeed the recession had a very major impact on employer demand for graduates. Data shows that full-time employment rates of first degree graduates fell by around 10 percentage points from 2006/07 to 2008/09, during the peak of the recession; and by 2010/11 had not returned to pre-recession levels. By 2014 there were signs that graduate vacancies were generally rising, although not uniformly across sectors; and more recent data[1] from the Labour Force Survey indicate graduate employment rates among young graduates in the general population continue to improve, and are showing signs of returning to pre- recession levels. Similarly there was evidence of graduates increasingly entering non-graduate jobs in the months after graduating, and so were in jobs that did not fully utilise their skills. This was a trend in evidence before the recession – especially from the mid-2000s onwards – but was considerably amplified by it. Indeed, at the height of the recession, 37.2% of those who graduated with a first degree in 2008/09 were in non-graduate jobs six months after graduating, and by the 2010/11 graduating cohort this had fallen slightly to 36.5%. This follows more general concerns about the impact of the recession on job quality[2]. However tracking studies show that the proportions of graduates

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[1]   See BIS (2015) Graduate labour market statistics: January to March 2015.. Note young graduates are defined as those aged 21 to 30 years old in England, they could have completed their studies any number of years previously. Graduates are confined to those with first degrees only (although could be studying for a postgraduate level qualification). This differs to the methodology used in the analysis of Destinations of Leavers from Higher Education surveys reported elsewhere.

[2]   See for example Meager N (2015) 'The UK labour market after recession and austerity: normal business resumed?, IES Viewpoint, Employment Studies Issue 21; http://www.employment-studies.co.uk/news/ies-viewpoint-uk-labour-market-after-recession-and-austerity-normal-business-resumed

in non-graduate jobs decrease considerably with the passage of time from graduation. Also research suggests that graduate jobs themselves have diversified through up-skilling (employers' demand for increased skills or knowledge within the role leading to the upgrading of jobs previously regarded as non-graduate).

Graduates from less advantaged communities appeared to fare worse in the labour market and there is some indication that immediately after graduating, they were more likely to return to non-graduate jobs with employers they had worked for previously (during or before their studies).

The employers interviewed in this study remained interested in graduate recruits but mostly saw the graduate recruitment market as a competitive one in which it could be difficult to hire the type and quality of entrants they were seeking.

Employers described three typical scenarios where they faced challenges, sometimes experienced in combination in different parts of their business or occupations:

Specific skill shortages: Most employers of science, technology, engineering and mathematics (STEM) graduates were concerned about shortages of high quality applicants, especially women, even throughout the recession.

Too many applicants, not necessarily of the quality required: Most large employers in this study, had many more applicants than they wanted for the schemes and the jobs that did not require specific subject backgrounds. They wanted fewer, better quality applicants – some recruiters for prestigious entry schemes had not filled all their vacancies.

Less visible and too few applicants: The small firms interviewed tended to find it difficult to be visible to either universities or students and some felt there were negative perceptions about working for a small firm. Some much larger organisations without a strong brand in the graduate recruitment market, or in sectors seen as less glamorous, could also find themselves short of applicants.

Employers' perceptions of the graduate labour market may not always be accurate, but these perceptions strongly influence their attitudes, priorities, processes and plans for change.

2.   Generic and employability skills really do matter to employers

Employers in this study sought to recruit graduates because of their perceived intellectual ability and ability to learn, and sometimes also as a potential source of fresh ideas. Some hired graduates for specific knowledge and skills taught only in higher education or needed a degree to access professional membership. Although some employers in scientific research and selected professions targeted higher degree graduates (ie postgraduates), most employers in this study did not differentiate between higher and first degree graduates. Most recruited graduates with the expectation that they would fuel medium term professional and managerial 'talent pipelines' even if they recruited into specific job vacancies.

Employers are demanding more and more from potential recruits, wanting graduates to be a good 'fit' with their business in terms of skills, abilities and attitudes. Continued strong demand for graduates will rest on whether they are actually perceived as high quality in intellectual terms, but even more importantly whether they have the communication and people skills plus positive work and commercial attitudes, which were the 'must have' behaviours for employers. Understanding of, and interest in business was especially important to small firms. Many employers were also looking for graduates who were flexible and 'resilient' in the face of change or difficulty. Most employers emphasised their interest in the totality of what the individual had to offer, not just their qualification or the content of their course.

In general employers are satisfied with the graduates they recruit, with more than four out of five feeling graduates are well prepared for work and similarly the employers in this study were also mostly satisfied with the graduates they had hired. However many had serious concerns about the quality of applicants they often saw, but did not hire. These concerns focussed on three main areas: inter-personal skills (especially communication); attitudes towards work and workplace behaviour; and career management and employability (in terms of researching opportunities; and students presenting themselves to employers in applications and interviews).

Employer demand was often not fixed but could respond to the quality of supply experienced, for example by leaving vacancies unfilled or creating additional permanent roles to retain good placement students or interns.

3. Graduate recruitment is only one of several entry streams

Employers' recruitment strategies often balanced 'fresh' graduates with graduates with a few years of experience and much more experienced hires. In addition, quite a lot of the employers in this study were increasingly interested in recruiting able young people, especially as apprentices, who may be choosing not to go to university. Just as labour market data shows a blurring of the jobs occupied by graduates and non-graduates, so employer perceptions perhaps include a blurring of the skills, attitudes and potential they see as available in graduate and non-graduate recruits.

Graduate entry or training 'schemes' did not necessarily offer more extensive training or varied career experience than recruitment into a specific job vacancy, but were often much more visible to applicants and thus attractive through more visible recruitment 'campaigns'.

4. Attracting the 'right' applicants is often the biggest challenge

Attracting the right applicants in a large and diverse labour market, spread across many universities, was the biggest challenge for employers. They were therefore adopting several strategies including:

- engaging with selected higher education institutions;

- recruiting students right at the start of their final year of study or earlier;

- using work experience to build relationships with students much earlier on in their student journey.

Some employers were looking to develop more focused tools, perhaps through social media, to find the students they were looking for – not just to generate greater numbers of applications which they often did not want.

> Much activity has moved online, both in terms of advertising vacancies and managing applications. This has significantly opened up access to opportunities for all students but in such a complex market it is hard for all but the best known employers to be sure they are visible.

5.   Employers can 'target' universities in several useful ways

Larger employers tended to have direct contact with at least some universities in addition to inviting applications via their, and other, websites. Such 'targeted' activity aimed to attract suitable candidates (including for work experience); raise profile and project 'brand' and engage with students directly. 'Targeting' did not usually mean that 'institution of study' was used explicitly as a screening or selection criteria; however targeted institutions often, but not always, accounted for a significant proportion of graduate entrants.

> Some employers focused mostly on 'elite' or high entry tariff institutions but this was not pervasive. Others selected institutions to engage with or visit because of their subject strengths, locality, previous positive recruitment outcomes and more diverse student populations. Employers often selected a basket of institutions reflecting several of these factors.

Both employers and universities realised the benefits of closer engagement but both sides were short of resources to engage as broadly and deeply as they might wish. This could lead to innovative behaviour such as creating a virtual careers fair using social media to provide a campus presence to answer questions and give advice. Some small firms had real difficulty in finding a way into relevant student populations and felt universities were not very interested in them.

Employers often noticed that some universities were much more effective than others in helping their students develop generic and employability skills, and this could influence the institutions they chose to 'target'.

6.   Selection practices need to balance validity, fairness and efficiency

> Selection processes often had several steps in three main stages: application and screening; intermediate selection and final selection. The screening and intermediate stages of selection, to arrive at a shortlist of candidates to see, were more problematic for employers than the final stage of face-to-face interviews and/or assessment centres.

Larger employers have increasingly used online ability tests for numerical, analytical and verbal skills in early screening and shortlisting prior to interview. Both in early stages of

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selection (eg as online tests) and later in assessment centres or interviews, employers have been increasing their use of situational judgement tests (sometimes called strengths-based tests). These focus more on identifying the potential to use desired behaviours in a hypothetical situation than on previous experience showing evidence of those behaviours. Some employers no longer asked for an initial application form, using tests instead. Competency-based application forms were seen by some as resource intensive to assess; likely to favour more socially advantaged applicants and boring and time consuming for applicants. Many employers were aware of the need to make the recruitment process engaging, informative and interesting.

Although any selection method may favour some applications over others, employers felt that testing moved them towards more objective and work-relevant selection. Employers that had been more analytical about diversity impact had sometimes adjusted selection methods, test score thresholds and the way data items were combined to ensure that they were not disproportionately excluding certain groups by over-testing some skills.

Smaller employers were more reliant on conventional application forms and/or CV data followed by one or more rounds of interviews and exercises, but they could be equally sophisticated in the alignment of their selection criteria and processes to their changing business needs. They had had less need than large employers for process standardisation as they rarely attracted very large numbers of applicants and could often give applicants more personal attention.

The use of educational grades in selection was a tricky issue for employers, especially as there have been rising proportions of graduates being awarded a 2:1 or higher class of degree. Many in this study did use a 2:1 degree either as a minimum entry requirement or as one of a range of factors used at some stage in the process. A smaller number of employers used University and Colleges Admissions Service (UCAS) points, a tariff calculated from A level scores or equivalent achievements. Employers were unclear about the validity of such proxy measures of candidate quality. Class of degree, being awarded at institutional level, was not assumed by employers to be indicative of a uniform national standard and tended to be seen as a fairly crude filter of quality. It was not clear that employers really wanted more educational performance information (eg through the Higher Education Achievement Report or HEAR), unless it addressed the skills they were interested in and was available from all universities.

7.   Work experience is a key component of recruitment strategy

> Work experience was of high and growing interest to employers of all sizes for a range of reasons, including skill and attitude development; the chance to make earlier relationships with potential recruits; and an extended opportunity to assess individuals. Not all employers expressed a demand for work experience in their selection criteria, partly on diversity grounds, but nearly all believed it helps graduates develop the skills they require and so leads to improved performance both in selection and at work.

Work experience was seen as especially useful in developing not only generic skills and personal maturity but also business or commercial understanding. In some sectors, work experience has become an important signal of serious career interest. Many employers

were interested in all aspects of 'wider' life and work experience – not just conventional employment but also voluntary work and other university activities.

Work experience could consist of a short placement during study or in vacations (typically of 6 to 12 weeks); a longer 'sandwich' experience (typically 6 or 12 months) or an internship after graduation. These opportunities often had formal selection processes of their own, quite often similar to those used for permanent graduate hiring, with sometimes a modified selection process upon graduation to fast track returners with work experience into the graduate recruitment stream. Most employers paid for all but very short periods of work experience, albeit often at relatively low rates. In some sectors there was an increase in the use of very short work tasters, insight or shadowing opportunities, often aimed at pre-higher education students or those in the first year of study to support/encourage career choices.

The advantages conferred by work experience may present some risks of pushing both career decision-making and assessment by employers too early on in the higher education experience before ideas, experiences and skills are fully formed. They may also disadvantage students whose social networks or universities do not alert them to the possible importance of early employer contact in some sectors or occupations; or disadvantage students who cannot afford to settle for the low pay offered (the short-term financial loss for the longer term gain). Internships after graduation provided additional opportunities but were perhaps less structured than placement schemes during study.

8.   Social networks and informal processes can highlight opportunities

The internet can be seen as a great leveller in graduate recruitment, certainly in opening up advertising for formal entry schemes and job vacancies to anyone who knows where to look. However more informal methods were also used to attract applicants, with some organisations explicitly seeking referrals from employees and university contacts and others responding positively to speculative applications (outside of recruitment campaigns and drives). Social media may be increasing the use of complex networking behaviours in the graduate market. Informal processes and networks seemed much more important in generating suitable applicants, including for work experience, than in selection itself.

9.   Varied responses to diversity and social inclusion agendas

In general terms the employers in this study were fairly interested in diversity, especially of gender, ethnicity and disability. Where there was a business case it tended to be in terms of reflecting community or customer make up. There were more varied views on the subject of social mobility (ie the impact of socio-economic background on graduate recruitment). The majority of employers were committed to a generally 'meritocratic' approach to selecting graduates against clear criteria, and felt it was appropriate not to exclude or disadvantage certain groups. We might see this as a 'passive' approach to diversity. It was more difficult for such employers to address social inequalities head on through consciously 'inclusive' practices, than to address other aspects of diversity. This was partly because they felt they should view graduates at the point of application purely on merit.

Some employers, especially large public sector organisations and professions such as law, were pro-active in addressing social mobility, especially in encouraging less

advantaged students to apply (for example by visiting universities with less advantaged students) and addressing bias in their selection processes. The interviews indicated the importance of providing suitable role models in the attraction process so that individuals could select themselves in to recruitment. Role models of successful recruits from varied backgrounds could be provided via case studies or direct personal interaction with potential candidates. Social mobility concerns were one reason why some employers were looking to recruit more apprentices.

> Employers often saw socio-economic background as more difficult to monitor than gender, ethnicity or disability. There was no clear consensus on the best metric(s) to use and some employers felt that candidates would find questions about their social background inappropriate.

10. Competing drivers influence employer practices

Threading through the practices and the trends noted above, we can see some of the deeper drivers behind employer behaviour. These include:

- A central concern to recruit graduates who will meet evolving business needs as part of a wider resourcing strategy – recruiting 'the best' means the best for that particular context and the specific jobs and locations where graduates will work.

- Adopting generally open, objective (or 'meritocratic') and valid selection practices, but only supported in a minority of employers by robust evaluation.

- The need to show cost efficient and effective ways of achieving the desired recruitment outcomes.

- Responding to real labour market conditions, especially an excess of applications or skill shortages and the behaviour of their recruitment competitors.

- A general inclination to support young people in their transition to employment, balanced with the need for that transition to be manageable for the business also.

- Workforce diversity in terms of gender, ethnicity and disability is an established part of recruitment thinking in many organisations, but social mobility was a significant driver in relatively few of the employers in this study.

Possible action areas

The following possible action areas emerged from this research:

1. Understanding entry routes, transition into work and beyond

Employers need to communicate entry options more clearly for students and may need to pay more attention to making the best use of talent once recruited (through whichever route).

Universities need to help students be more aware of options beyond highly visible graduate entry 'schemes' and to develop more sophisticated search skills.

2.   Generic and employability skills

Universities can make a real difference by focusing effectively on generic and employability skills, and engaging employers in this agenda also. There is a need for universities and employers to engage in meaningful dialogue and to work collaboratively to ensure students emerge with the wider or generic skills valued in the labour market as well as (where relevant) specific vocational skills.

Employers could improve feedback for applicants on their skills and application approach, especially those selected out at a fairly early stage of the selection process.

Students, even on highly vocational courses, need to pay conscious attention to the development of their inter-personal skills and their personal strengths.

Policy-makers need to emphasise generic skills and careers education at school.

> Improving employment outcomes can all too easily be a zero sum game, simply reshuffling the pack of graduates and advantaging some by disadvantaging others. Working with employers to improve the skills of graduates is not a zero sum game. It may both influence employer demand for graduate recruits and improve organisational and national productivity.

3.   Work experience

Employers need to understand the range of work experiences they could offer to students, potential students and graduates, and should be encouraged and supported to provide more work experience. Indeed, employers might also usefully apply the benefits of work experience during study to a more structured approach to developing interns post-graduation. Smaller firms may benefit from working with intermediaries to find suitable students for work placements.

Students and universities need to be pro-active about building in work experience to the period in higher education. Universities might collaborate more strongly with each other and with employer organisations to make it easier to create and fill opportunities for work experience.

4.   Attracting the right applicants and engaging with selected universities

Employers need to consider carefully how many universities they can actively engage with and which factors to choose in selecting an appropriate 'basket' of institutions to best meet their own needs.

Students need to 'target' too and not use a scatter gun approach to finding an employer. They should take advantage of employer visits but not assume that the employers who don't visit their campus will not be interested in them.

Universities can benefit their students enormously by forming positive, multi-level partnership with employers, and offering real advice to recruiters not just passively hosting visits.

Policy-makers should strongly support both university-employer 'engagement' and appropriate 'targeting' of institutions by employers. They should recognise the need for universities to be able to finance more pro-active career services working with employers.

5. Fair and objective screening and shortlisting

Employers should evaluate the outcomes of their recruitment and selection practices more rigorously.

Students need to prepare themselves well, especially for the early stages of selection which weed out so many applicants before employers even see them.

Universities can help students prepare for the recruitment process and actively support those who need to work on their skills or their performance in selection activities.

Public policy-makers need to acknowledge the diversity of the student population in terms of ability and skill levels attained during study. Policy-makers cannot assume that the educational assessment data universities can supply (eg class of degree, Higher Education Achievement Report type data) will be seen as relevant by employers to the skills and attitudes they are seeking.

> Making recruitment a more effective process for employers also needs to make it a more motivating experience for students, so they move into their working lives in a better informed and positive frame of mind.

6. Social mobility

Employers need to be aware of how their practices influence the social backgrounds of those they recruit. Strategies to widen access can be similar to those already used to encourage gender and ethnic diversity: using a mix of entry routes (eg both graduates and apprentices); attracting more diverse applicants (eg from diverse institutions) and being mindful of the images, stories and ambassadors used as role models during the recruitment phase; and careful evaluation of selection methods to avoid bias.

Universities can do much to level the playing field through their engagement with employers, their facilitation of work experience and additional skill development, and career support for students from less advantaged backgrounds.

Policy-makers need to think through – and possibly research – whether and why a positive approach to social mobility may benefit employers and develop practical advice on monitoring social background in a recruitment process.

1 Introduction

The Institute for Employment Studies (IES) and the Higher Education Careers Services Unit (HECSU) were commissioned by the Department for Business, Innovation and Skills (BIS) to provide evidence on the approach to graduate recruitment undertaken by employers and how this has evolved in recent years. The research is set within the context of an increasing number of individuals graduating from UK higher education institutions, increasing to record levels, and the diversity of students and higher education pathways continuing to expand; whilst at the same time the country begins to emerge from difficult economic conditions, and companies continue to face skills shortages.

1.1   Research aims

Graduates form a large part of the supply chain to, or talent pipeline for, businesses - a supply chain that has the capability to support business growth and therefore economic prosperity. Graduates act as key source of highly qualified and skilled labour for employers to fulfil immediate or longer term needs. Attracting and recruiting graduates can be a hugely demanding, complex and resource intensive activity for many companies and they may use a variety of approaches and processes to reach out to and secure the graduates they need. Companies that deliberately recruit new graduates to their first career entry role or graduate job are extremely diverse and vary significantly in: their recruitment motivations/drivers, the regularity and timing of recruitment, the methods they adopt, their linkages with higher education institutions, and the number and make-up of graduates they take on. Graduate recruitment is therefore highly complex and varied. In this new context of increasing numbers and diversity of higher education output set against an economy that is emerging slowly from a period of contraction it is important to update our understanding of how and why employers make the choices they do about the recruitment and selection of graduates; and to understand the effects that the expanding volumes of graduates and the use of different techniques and approaches have on the types and diversity of graduates recruited to different jobs and to different employers.

The main aim of the research was therefore to provide evidence on the approach to graduate recruitment undertaken by employers and how this has evolved in recent years. A secondary aim was to investigate whether employers are aware of or take account of the social mobility agenda in their plans and actions, or could do so in the future. In particular the research aimed to explore:

- **Patterns in graduate recruitment** in order to understand where graduates work (in what types of organisations and businesses), how patterns have changed over time if at all, and whether patterns in the recruitment destination are influenced by graduate background characteristics and study characteristics (essentially the role of social class in graduate outcomes). In addition the research sought to explore the behaviours of graduates themselves (eg job hunting) and how this influences outcomes.

- **Behaviours of graduate employers** in order to understand how they identify a need for a graduate, how they reach out to graduates to advertise their vacancy, and how they operate the application, screening and selection process; when in the student

journey they begin to interact with potential recruits and the timing of recruitment activity; the rationale for the approach(es) adopted and the issues underpinning these; and also how this has changed over time and the drivers behind these changes. In addition, the research sought to explore the role of equality and diversity including the social mobility agenda in employer plans and practices; and to distinguish recruitment practices from employment trends (what employers do and what happens to graduates).

- **Interactions between graduate employers and universities** in order to understand what these linkages look like and how they can support the graduate recruitment process including: links with universities as 'preferred suppliers' and the degree to which employers restrict recruitment from within a specified pool of universities (which universities and why); the role universities play in providing indirect routes to hiring graduates (via placements and internships, and university staff recommendations); and the potential for formal and informal links between employers and universities to either broaden or narrow the diversity of graduate recruits.

1.2   Methodology

The research was primarily qualitative, with the core of the research consisting of a large number of in-depth telephone interviews with a range of graduate recruiters to understand what they do and why. It is therefore important to understand the limitations of the research and the approach taken to present the findings.

A qualitative approach ensured that the greatest possible diversity of viewpoints and key employer characteristics would be reflected. Readers should note that, unlike large scale survey research, findings from qualitative research cannot: a) be interpreted as being statistically representative of all graduate recruiters in England; or b) be used to describe the numbers and proportions of organisations displaying particular characteristics. Instead qualitative research provides depth of insight - a detailed understanding of how and why employer recruitment actions and decisions are made - rather than the incidence of these practices; and where there may be similarities and differences in actions and decisions.

The research however does blend the qualitative primary research with secondary quantitative research and a detailed review of existing research literature and commentary. The study had three key phases of activity which are described below.

1.2.1   The set-up phase

The set-up phase involved: a) a review of relevant literature; b) initial scoping analysis of national level data on employers and graduates and compilation of relevant published statistics; and c) interviews with sector stakeholders (including Heads of Careers Services in a number of HEIs) to gain their perspectives on employer behaviours and the employer/university relationship in supporting effective graduate recruitment.

Literature review

The review of existing research literature adopted a Rapid Evidence Assessment approach. This involved developing a search process to identify a potential set of papers, undertaking an initial assessment of these papers against a set of criteria to determine their relevance and thus inclusion, and then a full review of priority material. The search primarily focused on: graduate recruitment trends, strategies, and practices (employer behaviour); the process of graduate recruitment and selection and the factors influencing decisions and behaviours (models); and university/business engagement to support recruitment and meeting business skills needs. The search also looked for evidence of equality and diversity concerns addressed in recruitment, particularly in terms of social class (social mobility and social inclusion considerations) and how social class is variously defined. Over 50 articles and papers were reviewed.

> The review findings are reported in the separate evidence annexe to this report, and are summarised in the 'setting the scene' sections in each chapter to provide a context for the primary research findings.

Scoping analysis

The scoping analysis identified a number of relevant existing data sources that captured the work/employment outcomes of new graduates; and the needs, perspectives and actions of graduate recruiters. The datasets included: a) national datasets from regular surveys of graduates, employers and/or employees; b) management information from graduate recruitment databases; and c) one-off research datasets. The data scoping exercise involved negotiating access to aggregate or preferably raw data and assessing the suitability of the proposed datasets. Suitability was determined by assessing: the population covered by the survey; the sampling and data capture methodology; the timing of data release and how many waves would be available (and any potential breaks in the data series); identifying the most suitable outcome (dependent) and break (independent) variables for analysis; and the degree of standardisation in definitions used.

Stakeholder interviews

A number of relevant stakeholders were identified by the research team and steering group which included: professional bodies, policy bodies, graduate recruitment organisations, employer bodies, organisations supporting students and graduates and academics. Key individuals from these organisations were approached and invited to take part in telephone interviews covering: perceived current and future challenges facing graduate employers in recruiting and selecting graduates; employers' plans and activities regarding recruitment and selection and how these may be changing; the support provided by other organisations; the effectiveness of different approaches; and the potential influence of the social mobility agenda on practice. In addition Heads of Careers Services in HEIs from across the sector were also approached to provide their insights and perspectives on the strategies employers are pursuing and the employer/university interaction.

In total 21 stakeholder organisations provided feedback as did representatives from eight higher education careers services and their perspectives are provided alongside those of employers in the following chapters of this report. Stakeholder feedback is clearly differentiated from employer feedback.

1.2.2 The data analysis phase

This involved further analysis of secondary data sources on (graduate) employer skill needs and recruitment practices and on individual graduate job seeking and employment outcomes.

A number of datasets were analysed to provide quantitative evidence on employer graduate recruitment practices, processes and patterns. Bespoke analysis was undertaken to move beyond that provided in published statistics to explore patterns over time and the drivers/factors influencing behaviours/outcomes, including the role of socio-economic background. The key datasets examined included: the Employer Skills Survey, the Employer Perspectives Survey, the Association of Graduate Recruiters Summer and Winter Employer Surveys, the Labour Force Survey, the higher education Student Record, the Destination of Leavers from Higher Education Survey, the Futuretrack Survey, and management information provided by the Graduate Recruitment Bureau (a specialist graduate recruitment service). These data therefore covered employer level data and student/graduate level data.

The analysis findings are reported in the separate evidence annexe to this report alongside a more detailed description of the datasets used, however key figures/findings are provided in the 'setting the scene' sections in each chapter to provide a context for the primary research findings. It should be noted that these are the only quantitative findings to emerge from the research as the study takes a largely qualitative approach to examine the research issues. It should also be noted that across data sources there are no standard or harmonised definitions of what constitutes a graduate recruiter, or the size and sector of employers. For example some data sources refer to establishment size, others to overall organisation size, whilst others refer to size of graduate recruitment activity rather than overall number of employees. The categories and definitions used are therefore clearly indicated.

1.2.3 The fieldwork phase

This core phase involved working with a large number of graduate employers, these organisations were spread across different sectors, geographies within England, and different sizes.

It is important to note that there is no standard definition of a **graduate recruiter**. For this research a graduate recruiter was defined as an employer who: a) purposely recruits new graduates rather than recruit individuals with higher education qualifications, b) recruits these individuals to a career entry position or first graduate role, and c) recruits these individuals to a role which requires, or the employer expects the applicant to have, a higher education qualification. **New graduates** were defined as individuals graduating

within the past two to three years in order to capture the importance of the graduate qualification rather than considerable work experience. This will include not only those with newly gained first degree qualifications but also postgraduate qualifications, and those of UK domicile and also those who came to study in the UK from overseas. The new graduate pool could also include those who studied full-time and those who studied part-time and individuals of all ages including mature graduates who engaged with higher education study later in their lives/careers. However part-time and older graduates are likely to be very different to younger graduates who studied full-time. The former are likely to be career changers looking for graduate entry positions (second chancers) or individuals undertaking study for intrinsic reasons and not looking to use their new qualifications in the labour market (second biters). These students are unlikely to be the group that employers either have in mind or specifically target when undertaking their recruitment activity.

As noted above the core of the research approach was to engage directly with graduate recruiters to gain detailed insights from the individuals developing and operationalising the graduate recruitment strategy to understand what they did, why they took the approach they did, how practice has evolved and will continue to evolve. A qualitative approach was therefore required rather than a large-scale quantitative survey.

A sample of over 200 employers was developed to achieve a final sample of 80, this would provide sufficient scale to allow for rigorous and reliable analysis of employer practices, and to address the diversity in the graduate recruiting population. Employers were identified via the Employer Skills Survey[1], a number of networks (IES employer membership, Graduate Prospects, GTI, Step, AGR membership, Graduate Recruitment Bureau clients, Federation of Small Businesses, Chambers of Commerce, higher education institutions' employer contacts) and stakeholder organisations in order to reach out to graduate recruiters across England.

Key employer characteristics taken into account when designing the sample, to ensure a spread of recruiters but also to reflect the likelihood of successfully recruiting an employer with the relevant characteristics, were primarily size and sector.

Size was categorised, on the basis of the number of UK-based employees, as:
- small (less than 50 employees);
- medium (51 to 250);
- large (251 to 1,000);
- and extra-large (over 1,000).

Sector was categorised into 10 broad groups depending on the main area of business activity:
1. Energy, utilities, agriculture and the environment
2. Manufacturing, engineering, property management and construction
3. Science and pharmaceuticals

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[1]   Permission was obtained to receive a small sample from the UKCES Employer Skills Survey, from those employers willing to take part in further research.

4. Hospitality, leisure services and sport

5. Retail, marketing, advertising and public relations (PR)

6. Transport, logistics, information technology (IT) and communications

7. Business services A - including accountancy, banking, financial services and insurance

8. Business services B - including law, consultancy, management, recruitment and human resources (HR)

9. Public administration and services, government, civil service, education, health and social work, armed forces and emergency services

10. Creative arts, culture, entertainment, media and publishing.

A number of secondary characteristics were also monitored throughout the fieldwork: age of the business; size of graduate intake, which may or may not be associated with overall size; and geography, in terms of both where the organisation is based and its perceived catchment area. These primary and also secondary characteristics were all aspects that the initial literature review and data analysis identified could influence drivers and approaches to graduate recruitment.

Once employers were identified a personal email was sent to the named contact in the organisation (where known) or to the most appropriate individual eg Graduate Recruitment Manager, Human Resources Manager or Director. The email invitation provided information about the research and what participation would involve and how their feedback would be used, and more detailed information was provided in an accompanying Research Briefing.

Interviews were secured with representatives from 76 organisations who had recently recruited a graduate/graduates against the target of 80. The breakdown by size is shown in Table 1.1 and the breakdown by sector is indicated in Table 1.2. It is interesting to note that many of the small organisations approached to take part in the research reported that they did not recruit new graduates. Although these organisations valued and sought graduate level skills and knowledge, they preferred to recruit graduates with several years' experience.

Table 1.1: Size breakdown of the employer interviews

Employer size (Number of UK-based employees)	Total
Small	15
Medium	12
Large	19
Extra-large	30
Total	76

Source: IES/HECSU Graduate Recruitment Interviews, 2014

Table 1.2: Sectoral breakdown of the employer interviews

Employer sector	Total
Energy, utilities, agriculture & environment	5
Manufacturing, engineering, property management & construction	10
Science & pharmaceuticals	4
Hospitality, leisure services & sport	2
Retail, marketing, advertising & public relations (PR)	6
Transport, logistics, IT & communication	9
Bus services A: accountancy, banking, finance & insurance	8
Bus services B: law, consultancy, management, recruitment & human resources (HR)	12
Pub administration & services, Government, civil services, education, health, social work, armed forces & emergency services	16
Creative arts, culture, entertainment, media & publishing	4
Total	76

Source: IES/HECSU Graduate Recruitment Interviews, 2014

Semi-structured interviews took place by phone and lasted between 45 minutes and one hour, and on occasion involved more than one individual. These interviews:

- explored experiences and history of graduate recruitment;

- gained insights into their recruitment and selection behaviour, including whether (how and why) this has changed over time;

- probed into the rationale for the approaches taken, the motivations, drivers and factors influencing choice of recruitment and selection methods;

- examined the successes achieved and/or challenges faced in recruitment and selection; and

- captured insights into the outcomes (intended and unintended) of different approaches.

The interview was designed to allow the interviewer to assess in the early stages of the conversation whether the employer was: a regular graduate recruiter, operating a large centralised scheme; a representative within one function of an organisation operating a more federal and specialist approach to recruitment; or an organisation operating a more ad-hoc approach to graduate recruitment, a recruiter who uses placement or internships, and/or is new to recruiting graduates. The discussion could then be tailored to employers' experiences and history of graduate recruitment. The interviews took a broader approach than merely capturing a snap-shot of recruitment needs and processes to explore the dynamism and diversity of practice, and the rationale for and outcomes of graduate recruitment activity.

If employers were unable to take part in a telephone interview, they were given the opportunity to submit responses to a smaller number of questions by email. Fifteen employers provided written responses.

In addition to the interviews and written responses, two half day workshops were held: one in Manchester (hosted by Manchester Chamber of Commerce) and one in London (hosted by IES). Employers participating in the interviews were invited to the workshops. These workshops provided an excellent opportunity to present and debate emerging findings from the research to graduate recruiters and other stakeholders, in order to validate or indeed challenge the findings and initial conclusions and to think through implications.

The qualitative data gained from the employer interviews were analysed using a computer based qualitative analysis tool (Atlas.ti). The interviews were transcribed, the text was uploaded into the package and then coded. To develop appropriate codes the research team held workshops during the early stages of the fieldwork to reflect on any relevant findings from the literature and data review, discuss the content of the interviews and how best to code the interview content to reflect the themes emerging from the interviews. Employers were also assigned to 'families' based on their characteristics (eg size, sector, age, region, formality and also regularity of graduate recruitment) and the analysis was undertaken to identify differences in practices by different groups or families of employers, as well as areas of convergence. The additional qualitative material collected – interviews with stakeholders, written submissions from employers, and notes from the workshop debates – was analysed using a framework or matrix approach and made use of interviewer notes rather than fully transcribed text. Before full analysis, all material was anonymised.

> The analysis of this employer qualitative data forms the vast majority of the content of the following chapters. The findings are presented thematically, and the range and diversity of approaches are stressed. Anonymised quotes are provided throughout to illustrate pertinent themes and divergent viewpoints. However as the qualitative analysis indicated that the prime area of difference was size of the employer, size is indicated alongside each quote to help the reader to understand the context.

1.3   Report structure

The rest of the report presents findings from the research. Chapters 3 to 8 set out the themes that emerged from the interviews with graduate recruiters and sector stakeholders. Each of these chapters starts with a section to 'set the scene' which draws on quantitative findings from the bespoke analysis alongside a summary of the key features of previously published research, however the majority of the chapter focuses on the qualitative insights from employers. A summary is provided at the end of each chapter to highlight key points. A short description of the content of each chapter is provided below.

- **Chapter 2** presents largely quantitative data from the bespoke analysis of national datasets covering employer activities, individual student/graduate characteristics and graduate outcomes. The data analysis is supplemented by pertinent findings from the literature review. This chapter therefore sets the context for the research by describing patterns in graduate recruitment over the past few years.

- **Chapter 3** focuses on employer demand for new graduates, the drivers behind the need for graduates and the kinds of roles they are looking to fill, the factors that determine how employers express their demands and what they look for in potential recruits.

- **Chapter 4** explores the notion and nature of graduate recruitment, essentially how employers market themselves and reach out to students and graduates to raise awareness of the organisation and their brand, and of the opportunities they have and how to access them. It provides a detailed investigation into the methods, channels and mechanisms that employers use to pass on messages, the timing of this recruitment activity, and the influences on the approaches adopted.

- **Chapter 5** looks at the role of universities and colleges in graduate recruitment and selection, including the extent and nature of employers' targeting of universities and courses, the reasons for targeting and whether practices here are changing. The chapter also looks at universities and colleges policies for engaging with employers and how they support employer activities.

- **Chapter 6** provides an overview of the selection process followed by employers which can be conceptualised as having: a screening/first selection stage, an intermediate selection stage and a final selection stage. The chapter explores the methods used by employers at each stage and the rationale behind their use.

- **Chapter 7** examines the role of work experience (that is work placements and/or internships) in graduate recruitment. The extent, nature and purpose of work experience are explored as well as how these opportunities are 'sold' to individuals and how they are accessed.

- **Chapter 8** focuses on diversity and social mobility and how this influences or is influenced by graduate recruitment and selection approaches and activity. It explores employers' conceptions of social mobility, the degree of awareness employers have about the social mobility agenda, and the nature and extent of diversity monitoring of the workforce and the recruitment process.

- **Chapter 9** gathers employers' reflections on the overall experience and effectiveness of graduate recruitment; it summarises the main findings from the research, across all the strands, into ten key themes; before discussing some of the implications of these findings for employers, universities, and students and

A separate document, the evidence annex, provides more detailed findings from the bespoke analysis of secondary data and the literature review. Where key findings from these investigations are presented in this main report the relevant tables and/or sections in the evidence annexe are noted to enable readers to understand the source data and related findings/discussions.

2 Patterns in graduate recruitment

2.1 Introduction

This chapter begins by setting out the characteristics of graduates, and how the higher education student body has changed over time to provide useful context. It then moves on to report the existing evidence on the patterns of graduate recruitment or graduate first destinations, in particular investigating: what kinds of jobs graduates do; and where graduates work, in terms of sectors, regions and sizes of employers. The chapter therefore also looks at who are the graduate recruiters and how has the nature and level of their demand for graduates changed in recent years, moving into and out of recession.

> This chapter differs from the rest of the report in that it draws solely from existing research literature and bespoke analysis of large-scale national surveys, rather than new primary qualitative research. Detailed tables and charts behind the analyses described her are presented in the separate evidence annexe.

The key data sources used in this chapter are:

- **Students in Higher Education Institutions** (the Student Record). This relates to the data collected by the Higher Education Statistics Agency (HESA) from all subscribing higher education providers in the United Kingdom. The Student Record captures individualised data about all eligible[1] students who are registered with a provider during the academic year (running from 1st August year to 31st July year +1), including entry profile, personal characteristics, course information such as level and mode of study, funding information and qualifications awarded including class of first degree. The years explored in the analysis were 2005/06 to 2012/13[2].

- The **Destination of Leavers from Higher Education survey** (DLHE). This is an annual census survey (with two survey points) of all qualifiers from publicly funded higher education institutions in the UK. It provides a snapshot of activity six months after leaving the higher education institution and covers: graduate employment, the job roles graduates achieved 6 months after leaving university, and how they found those jobs. Discontinuities in the data due to changes in the way that occupations are classified with effect from 2011/12 has led to the main analysis focusing on data from 2006/07 to 2010/11, which arguably capture the lead up to and then impact of the recession years[3]. For ease of trend identification, analysis has focused on the largest group in the graduate population – UK-domiciled, first degree graduates. This is

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[1] Students who are studying overseas or who come to the UK for a period of less than 8 consecutive weeks during their programme of study are not included in the Student Record

[2] Since the main report activity has been completed a further tranche of data were made available by HESA for students studying in 2013/14, where possible these aggregate data have been used to continue the time-series analysis

[3] Where possible more recent aggregate data have been included to indicate post-recession patterns.

supplemented with individual level student demographic and study data (from the Student Record).

- The United Kingdom Commission for Employment and Skills **Employer Skills Survey** (UKCESS), using data from the latest survey in 2013 and comparing this with earlier waves undertaken in 2011, 2009 and 2007. It is an employer survey conducted every two years to measure the nature and prevalence of skills issues, how they come about and the impact they have; and, as such, explores employers' recruitment and training practices and their skills deficits. It surveys 87,000 UK establishments, excluding sole traders who own their own business, and is weighted so as to be representative of all UK establishments. The survey identifies employers who recruit graduates into their first job from university or another higher education institution but does not identify level of job ie whether they are recruited into a graduate level job or not.

- The United Kingdom Commission for Employment and Skills **Employer Perspectives Survey** (UKCEPS), using data from the latest survey in 2012[1]. This is also an employer survey conducted every two years but provides more detailed insights into employers' perspectives on the skills system. This survey explores employers' recruitment practices in more detail than United Kingdom Commission for Employment and Skills Employer Skills Survey, including use of placements and interaction with higher education institutions. It involves 15,000 UK establishments with two or more people working in them, and is weighted so as to be representative of all UK establishments with more than two workers. It identifies whether the employer has recruited a young person into a high level job, and this is used as a proxy for graduate recruitment.

For more detailed statistics, tables and charts please refer to the separate evidence annexe.

2.2 Changes in graduate characteristics

Before exploring the destinations of graduates it is interesting to explore the size and profile of the flow of newly qualified graduates entering the labour market each year to see not only how the numbers but also the personal background, nature of study and qualifications achieved have changed over time. These new graduates will be replenishing the talent pool that employers will be reaching out to in order to attract applications and select new graduate hires. The size and shape of the pool may drive or be reflected in employers' approaches to recruitment and selection.

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[1] Since the main report activity has been completed a new wave of the survey has been released in November 2014, involving more than 18,000 establishments across the UK (excluding sole-traders): https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373769/14.11.11._EPS_2014_-_Main_Report_full_V2.pdf. It was not possible to replicate the bespoke analysis with the 2014 data within the timeframe for reporting but where appropriate aggregate estimates have been used to update relevant figures.

The pipeline feeding the graduate labour market has been expanding over time, with each new year bringing in more newly qualified individuals. Looking over the last eight years' worth of data from the Higher Education Statistics Agency (HESA) Student Record, and using qualifications obtained as a proxy, the pool of newly qualified graduates has expanded by almost one quarter (23%), reaching almost 788,000 in 2012/13. Indeed, for each of the last four years, over 700,000 new graduates have been leaving their universities and colleges looking for jobs. Within this pool, the yearly flow of new postgraduates expanded by one-third (32%) and first degree graduates by more than a quarter (28%), but other undergraduate qualifiers fell slightly (by 4%) (see Figure 2.1). Focusing on UK-domiciled graduates only, who accounted for approximately three-quarters of all qualifiers, the expansion over time was less dramatic. The yearly flow of all UK qualifiers expanded by 14%: postgraduates by three %, first degree graduates by 23%, and other undergraduates falling by 6% (see Figure 2.2). It is interesting to note that the most recent data (for 2013/14) shows a downturn in the numbers of higher educationqualifiers, reaching almost 778,000 across all domiciles and just over 580,000 when focusing on those of UK domicile. The fall has been driven by the drop in those qualifying with other undergraduate degrees and with postgraduate qualifications as the numbers leaving with first degrees continues to rise.

Figure 2.1: Higher education qualifications obtained from publicly funded UK institutions – all domiciles by year of graduation
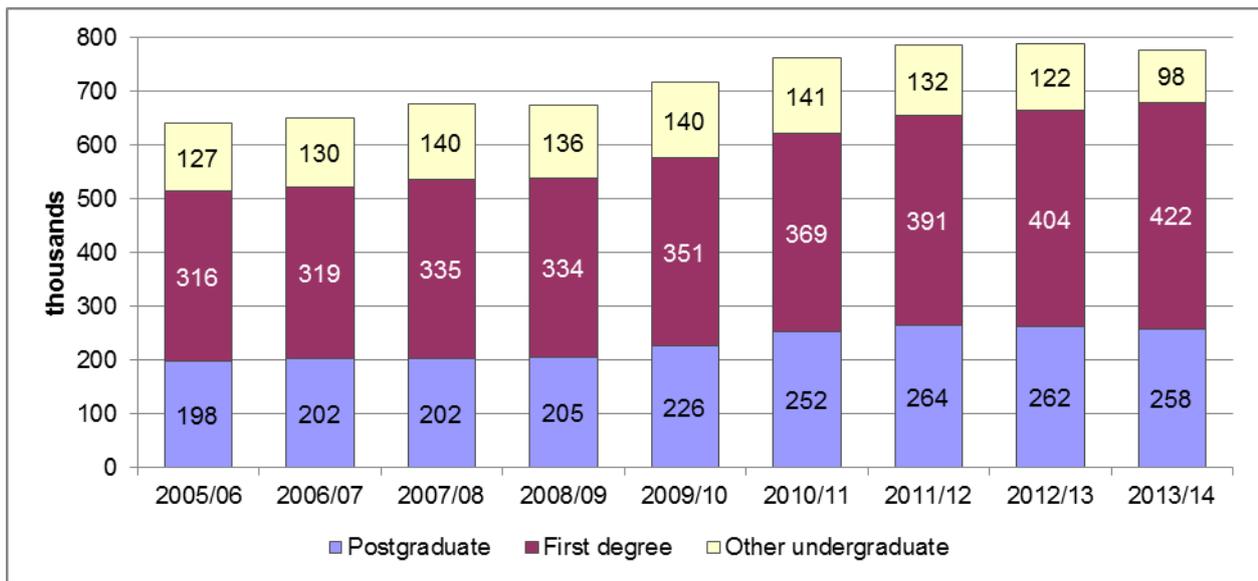
Source: Students in Higher Education Institutions, HESA, 2005/6 to 2013/14

Figure 2.2: Higher education qualifications obtained from publicly funded UK institutions – UK domicile only by year of graduation
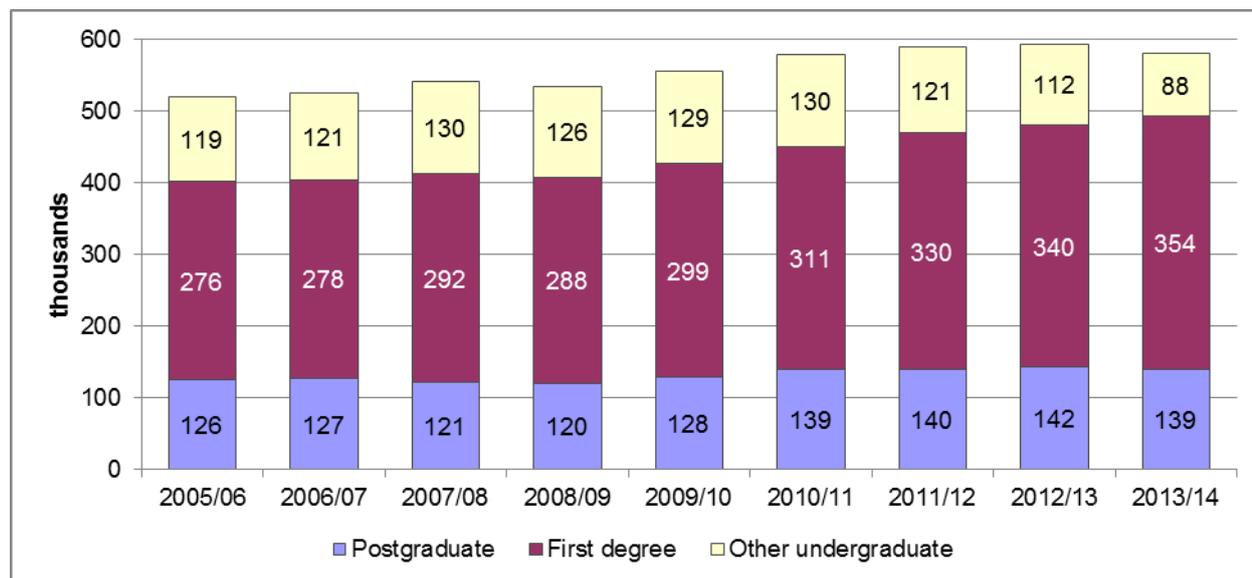
Source: Students in Higher Education Institutions, HESA, 2005/6 to 2013/14

2.2.1 Graduate profiles

Using data from the Destination of Leavers from Higher Education (DLHE) surveys on qualifiers with known destinations, and focusing on UK domiciled first degree qualifiers (the largest group of qualifiers) the data showed that:

- Gender and ethnicity showed very stable patterns over the five years from 2006/07, before the global recession began, to 2010/11, before the current recovery had begun. Females accounted for the majority of the student body, and individuals from Black and Minority Ethnic groups (as a whole) were over-represented in the higher education population compared with the general population. In 2010/11 women accounted for 58% of first degree graduates, and 18% of first degree graduates were from Black and Minority Ethnic (BME) backgrounds (see evidence annexe, Table 2.1)[1].

- There were changes in the social background of graduates. Individuals were found to be from a wider range of social backgrounds over time, when using a categorisation based on local area participation rates[2]. Although graduates were still more likely to

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[1] The latest tables from the Higher Education Statistics Agency (HESA) confirm these trends. In 11/12 women accounted for 58% of UK domiciled first degree graduate population with known destinations, and in 12/13 the figure was 57%. In 2011/12 the proportion of UK domiciled first degree graduates with known destinations from Black and Minority Ethnic backgrounds was 17% and in 12/13 was 18%.Data drawn from tables 2a and 6a from Destinations of Leavers from Higher Education 2011/12 and 2012/13.

[2] This was an analysis of graduates by the POLAR2 (Participation of Local Areas) classification system for small areas of the UK examining the participation of young people in higher education using their home domicile prior to higher education study. POLAR2 was published by HEFCE in 2007, and is a well-

come from areas where higher education participation was high, the data showed an increasing proportion of graduates from the lowest participation quintile of local areas (9% in 2006/07 rising to 11% in 2010/11), and a corresponding decrease in the proportion from the highest participation quintile (31% falling to 29%, see Figure 2.3)[1]. This suggests that efforts to increase the proportion of young people in higher education from lower participation areas have been successful to some extent.

Figure 2.3: Social background of UK-domiciled first degree graduates from 2006/07 to 2010/11 (per cent)
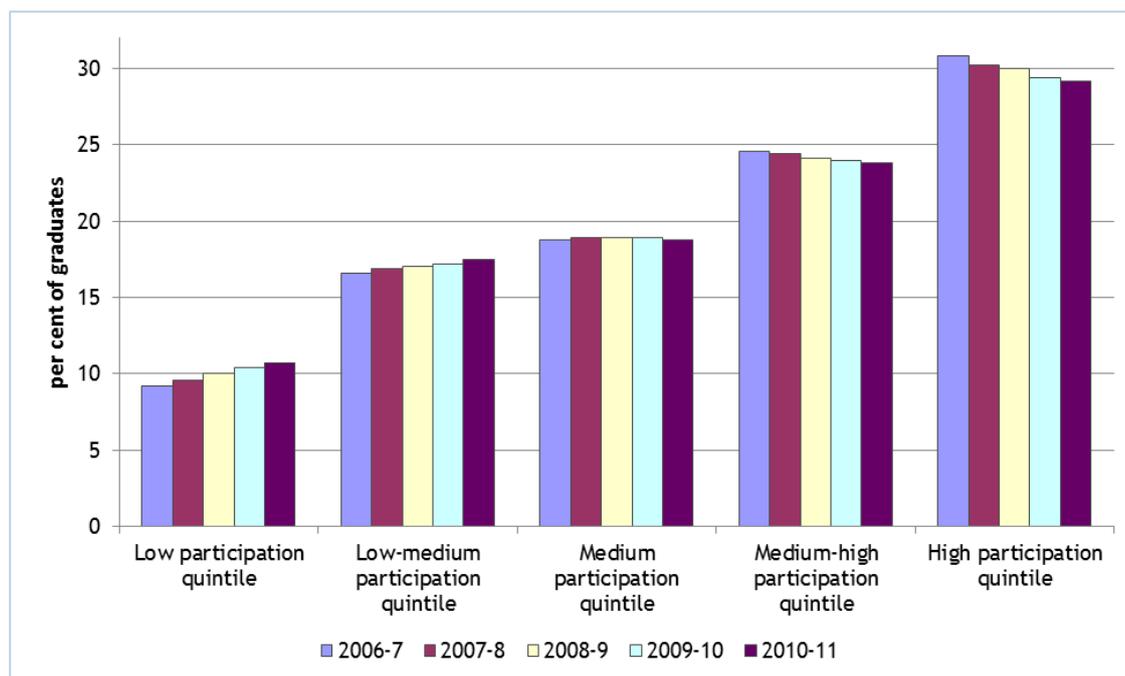
Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

2.2.2 Graduates' study profiles

Looking at study profile and outcomes, the data from Destinations of Leavers from Higher Education survey of UK domiciled first degree graduates showed that:

- The proportion of graduates who had attended an institution with the highest entry requirements[2] fell over time (from 24% in 2006/07 to 22% in 2010/11). More

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established and bona fide method of assessing widening participation in higher education. See http://webarchive.nationalarchives.gov.uk/20120118171947/http://www.hefce.ac.uk/widen/polar/polar2/

1   The Higher Education Statistics Agency (HESA) tables showing the results of Performance Indicators for widening participation of under-represented groups also indicate how the student profile has broadened in terms of social background over time. In 2006/07 9.4% young UK domiciled students studying full-time first degrees in the UK were from low participation neighbourhoods (using POLAR2). This rose to 10.9% in 2010/11, and 11.5% in 2013/14, the most recent year for which figures are available. https://www.hesa.ac.uk/pis/urg

2   This categorisation of HEIs by entry requirements was developed as part of the 'Futuretrack' study. See Futuretrack Working Paper 1: 'Analysing the relationship between higher education participation and educational and career development patterns and outcomes: a new classification of higher education

graduates now receive degrees from institutions with a lower entry tariff (medium: 31% to 33%; and low: 15% to 16%)[1], suggesting that lower tariff institutions have increased their intake over that of higher tariff institutions. (See evidence annexe, Figure 2.4).

- There was little real change in the location of study among UK domiciled first degree graduates over time. The regions accounting for the largest proportion of graduates remained the South East (14% in 2010/11) and London (14%); followed by the North West (12%) and Yorkshire and Humberside (10%)[2].

- In general, there were only modest changes in the pattern of subject studied over time. The most common disciplines were: business and administrative studies (accounting for 11% in 2010/11), biological sciences (11%), social studies (11%), creative arts and design (11%), and subjects allied to medicine (10%)[3]. There was a slight fall in the proportion of degrees awarded to subjects allied to medicine and in law, whereas the proportion in architecture, building and planning rose, as did the proportion who had studied creative arts and design, and business. However there was a significant fall in the degrees awarded in computer science subjects. (See evidence annexe, Table 2.2).

- The proportion of graduates receiving First Class and 2:1 honours degrees went up (from 12% and 45% to 15% and 47% between 2006/07 and 2010/11 respectively; see Figure 2.4)[4]. The proportion gaining 2:2s declined and there was little real change in the proportion of Third Class honours awarded. In total, the number of First Class degrees awarded increased by 42% over the five year period, against the backdrop of a 12% increase in the total number of degrees awarded.

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institutions'. Purcell, K, Elias, P and Atfield G, IER 2009.
http://www.hecsu.ac.uk/assets/assets/documents/futuretrack/Futuretrack_Stage_3_Working_Paper_1.pdf

[1] This corresponds with recent research by the Higher Education Funding Council for England that notes: *'the distribution of higher grades pupils across institution types is similar in both cohorts [2005/06 and 2010/11]. However, there has been a notable change in profile of those achieving lower grades across institution types, where higher proportions of the cohort gaining their qualifications in 2010/11 than in 2005/06 entered HEIs with medium or low average tariff scores'* (p74, HEFCE, 2015)

[2] More recent data drawn from Higher Education Statistics Agency (HESA) qualifiers tables for 2013/14 first degree graduates, confirm these patterns: with South East accounting for 14% of qualifiers, London 15%, North West 11%, and Yorkshire and Humberside 10% (Table 18d).

[3] Again, more recent data for 2013/14 first degree qualifiers largely confirm these patterns: business and administrative studies (15%), biological sciences (10%), social sciences (10%), creative arts and design (10%), and subject allied to medicine (10%).

[4] More recent data for 2013/14 first degree qualifiers (across all domiciles) would suggest that the proportion gaining good degree is increasing: 19% gained a First Class honours degree and 47% gained a 2:1.

Figure 2.4: Degree classes awarded to UK-domiciled first degree graduates from 2006/07 to 2010/11 (per cent)
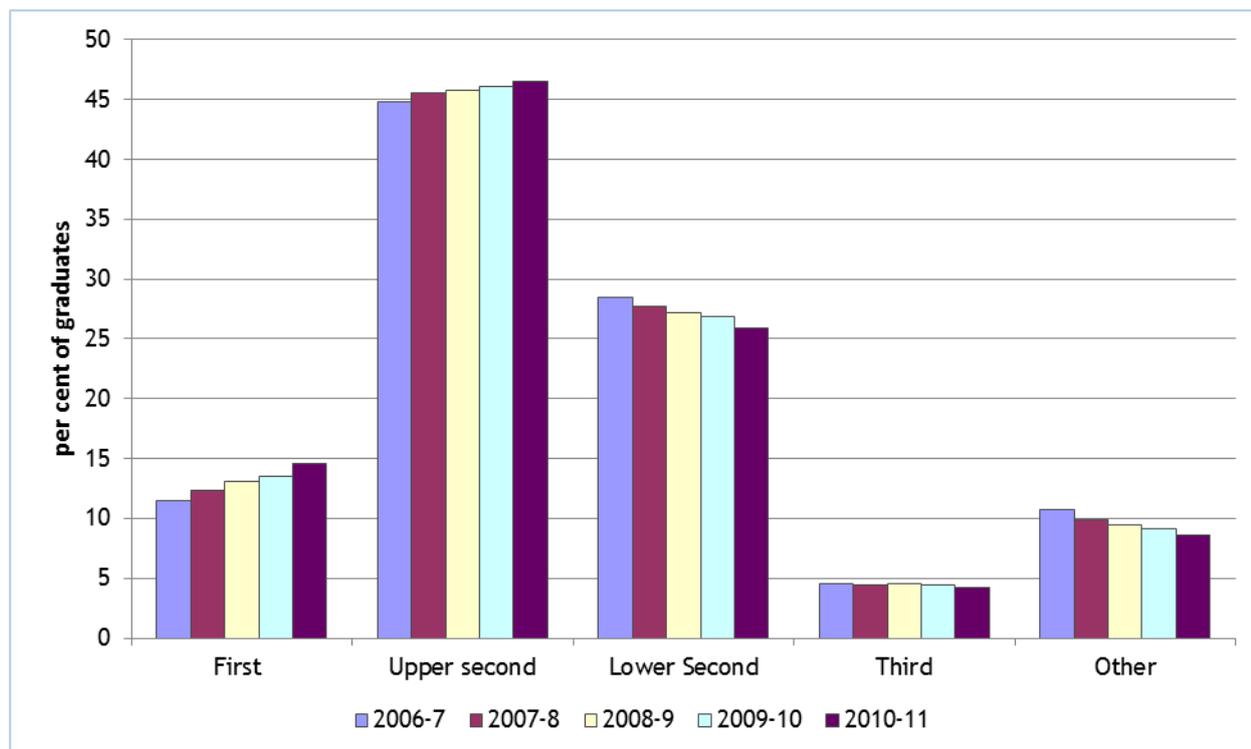
Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

2.3   What are (and are not) graduate jobs?

In the context of the first wave of expansion or 'massification' of higher education in the 1990s, a large body of literature emerged which focused on mapping the occupational destinations and career trajectories of new graduates. This literature largely sought to address questions of graduate employability, and the potential over-supply (and over-education) of graduates in the labour market and the related issues of graduate under-employment and skills under-utilisation (see: Mason, 1996; Connor and Pollard, 1996; Connor et al, 1997; Belfield et al, 1997; Nove et al, 1997; Alpin et al, 1998; Battu et al, 2000). Concerns expressed related to both supply and demand factors. On the supply side, post-expansion graduates were thought to have lower human capital[1] than pre-expansion graduates due to declining quality of education provision and graduates' skills-sets failing to meet employers' needs. On the demand side, employers were thought to have declining demands for graduates and thus declining capacity of absorption for the increased supply – thus leading to a potentially high incidence of over-education and skills under-utilisation.

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[1]   This can be defined as the skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organisation or country.

Defining graduate jobs

Purcell and Elias (2004) investigated the occupational destinations of graduates in the UK, following them to seven years after gaining their first degree, to see whether they had progressed or not into 'graduate occupations'. To support their analysis the authors developed a new aggregate classification of occupations. This categorisation (known as SOC (HE)) distinguished between non-graduate employment (ie occupations that do not require the exercise of degree level skills and knowledge) and four categories of graduate employment: 'traditional', 'modern', 'new' and 'niche' graduate occupations (cf. Purcell and Elias, 2004, p. 7). Graduate occupations were defined as those providing scope for the utilisation of high degree-level skills and were distinguished on the basis of the 'access' route to these occupations and whether having a degree was a long-established or relatively new entry requirement for the occupation. These categories were updated in 2010 to correspond with revisions in the standard occupational classification of jobs. More recent work by Green and Henseke (2014) has also looked at defining graduate jobs based on: occupational codes combined with Skills and Employment Surveys[1] in Great Britain; and the premise that a graduate job is one 'where at least a substantial proportion of the skills used are normally acquired in the course of higher education, its accoutrements and its aftermath' (p4). Their work also identifies new graduate occupations by comparing jobs classed as graduate jobs over time.

Diversification of graduate jobs and blurred boundaries

The seminal work by Purcell and colleagues (2004 and 2005) found that the majority of the graduates they surveyed were concentrated in 'graduate' occupations (using their classification) and in the top three standard occupational categories (using categories developed by the Office for National Statistics). Graduates several years into their careers were mostly working as: managers and senior officials; professionals; or associate professional and technical job holders. However more recent graduates (the 1999 cohort when compared to the 1995 cohort) were: less likely to be in traditional graduate jobs; more likely to be working in 'new graduate occupations; and more likely to be in jobs which might not have traditionally required a degree but that had been 'upgraded' due to changes in technology or work organisation. Indeed, they found that an increasing proportion of individuals classified as being in non-graduate employment reported that they were required to use their degree skills and knowledge in their job. These changes suggested that, since the early 2000s, the occupational destinations of graduates have increasingly diversified, and that the distinctions between traditional graduate and non-graduate jobs have blurred over time. Similarly Green and Henseke (2014) found rising skill and educational requirements in some jobs which have in effect become new graduate jobs over time. They found that the number of graduate occupations increased and the proportion employed in graduate jobs rose between 1997 and 2001 and 2006 and 2012; and this was particularly marked among younger individuals (less than 40 years old)

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[1] The Skills and Employment Survey is a national study of people aged 20-65 who are in paid work. It focuses upon the work that people do and how working life has changed over time. The 2012 survey is the latest in a series of studies which began in 1986. It is co-funded by the Economic and Social Research Council and the UK Commission for Employment and Skills (UKCES). http://www.esrc.ac.uk/research/surveys/skills-and-employment-survey.aspx

and females. They suggest that the growth in graduate employment in recent years is partly driven by a growth in core or traditional graduate jobs (accounting for 60% of the growth) and partly by increasing numbers of occupations becoming graduate occupations (upskilling) over time (40% of the growth).

Graduates in non-graduate jobs

The literature points to some evidence of under-employment. Mason (2002) found at a macro-level, the increase in the supply of graduates entering the labour market was matched throughout the 1990s by a process of substitution of graduates for non-graduates in many occupational areas. This was driven by: a) employers' demand for increased levels of skills and knowledge, but also b) changing recruitment patterns, in response to the increasing numbers of graduates applying for previously non-graduate jobs. To some extent this led to 'job upgrading' of previously non-graduate jobs, as identified by Purcell and Elias 2004; 2005) and Green and Henseke (2014, termed job 'upskilling'). However there were concerns that graduate employment in non-graduate occupations, and thus graduate under-employment, was rising especially in the service sector (Mason, 2002; Blenkinsopp and Scurry, 2007; Scurry and Blenkinsopp, 2011). Indeed, more recent work by Chevalier and Lindley (2009) presented compelling evidence of growing graduate over-education. They found 11-15% of new graduates were working in jobs that did not require graduate skills, and that these individuals did not derive any financial benefit from their higher education experience.

Work by Purcell and Elias (Seven Years On, 2004; and Class of '99, 2005) found that the vast majority of the graduates they tracked were in employment considered 'appropriate' for their skills and qualifications, and were making use of the skills they had developed on their degree courses. Their research also found that: firstly, the proportion of graduates in 'non-graduate occupations' decreased considerably with the passage of time from graduation, although graduates could take up to five years to settle into their careers; and secondly, that long-term graduate underemployment had not changed substantially over the 1980s, 1990s and early 2000s (ie the proportions of graduates remaining in non-graduate occupations seven years after graduation was virtually the same as for earlier cohorts of graduates analysed). Again Green and Henseke concur, finding that the proportion of mismatched graduates in the labour market (those in non-graduate jobs) remained stable between 1997 and 2001 and 2006 and 2012. However they did find that graduates in non-graduate jobs have experienced declining wages relative to non-graduates in non-graduate jobs and indeed to graduates in graduate jobs.

2.4   Recent trends in graduate destinations

2.4.1 The impact of the recession and beyond on graduate employment

The literature highlights rather dramatic changes in the patterns of graduate destinations in the UK labour market from the second half of the 2000s onwards, in particular since the onset of the recession in 2008. The picture that emerged overall was one of a tough labour market for the employment prospects of recent graduates, which consistently worsened throughout the 2000s and especially in the post-recession years; but that prospects could be improving as employers recover their confidence in the economy and look to the longer-term and graduate employment figures look more positive

The recent graduate longitudinal tracking studies, the Futuretrack studies[1] (again led by Purcell and colleagues, 2013), found that the graduates who had started university in 2006 faced a much tougher labour market than earlier cohorts. Futuretrack graduates experienced: a) higher rates of graduate unemployment, b) higher proportions in non-graduate employment; c) increasing employment precariousness (eg in fixed-term or casual employment); and d) a lower rate of career progression. The study also emphasised how labour market opportunities appeared to still be allocated not only on the basis of 'objective' factors (such as class of degree or discipline studied) but also on the basis of non-merit based factors. These non-merit factors included categories of university, age, parental education and ethnic background (see Chapter 8 for a more detailed discussion of diversity, social mobility and graduate outcomes). These patterns have been echoed in the published analyses of administrative data by the Office for National Statistics (ONS, 2013) and the Higher Education Funding Council for England (HEFCE, 2013b) which suggest unemployment rates of approaching 6% six months after graduating, almost half working in non-graduate roles and one third in a low skilled role. This reflects the impact of the recession and the negative labour market outlook in recent years which has greatly limited the recruitment capacities of traditional employers of graduates.

Bespoke analyses of the Destinations of Leavers from Higher Education (DLHE) survey for UK-domiciled first degree graduates, for those leaving university between 2006/07 (before the start of the recession) and 2010/11 (just before economic recovery began) gives an overview of graduate outcomes. This shows that as the recession progressed, full-time employment decreased from nearly 55% in 2006/07 to just over 45% in 2008/09. At the same time unemployment rose and reached its peak in 2008/09. The proportion of graduates entering part-time work also increased significantly, whilst further study rates also peaked in 2008/09 (see Figure 2.5). Graduate outcomes then began to recover, with increasing full-time employment rates, but in 2010/11 the proportion of graduates working full-time was still well below pre-recession levels. More recent figures suggest however that full-time employment rates may be returning to pre-recession levels[2].

The Labour Force Survey statistics also show a fall during the recession and a more recent upturn in graduate employment rates. Analysis of recent graduates of all ages in the Labour Force Survey (defined as those who gained a higher education qualification of any type approximately within the last two years[3]) finds that unemployment rates have risen from 2006, and rose most sharply from 2008 to 2009. Correspondingly employment rates fell from a high in 2007 through to 2010 but picked up again during 2011 and 2012. However there was a drop in the graduate employment rate in 2013 and a large increase in the proportion undertaking further study (see evidence annexe, Table 2.15). Analysis undertaken by the Department shows similar trends in the employment rate for young first degree graduates (those aged between 21 and 30, regardless of when they gained their

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[1] See also, http://www.hecsu.ac.uk/current_projects_futuretrack.htm

[2] Destinations of Leavers from Higher Education Institutions 2012/13,Table C, Higher Education Statistics Agency (2014). Note the figures are not directly comparable due to a break in the survey methodology and use of aggregate data.

[3] Thus respondents who gained their degree level qualification in the survey year or the previous year, or at their current age or when one year younger

qualification), having approximately recovered to pre-recession levels after dipping around 2009 and 2010. [1].

Figure 2.5: Outcomes of UK-domiciled first degree graduates from 2006/07 to 2010/11
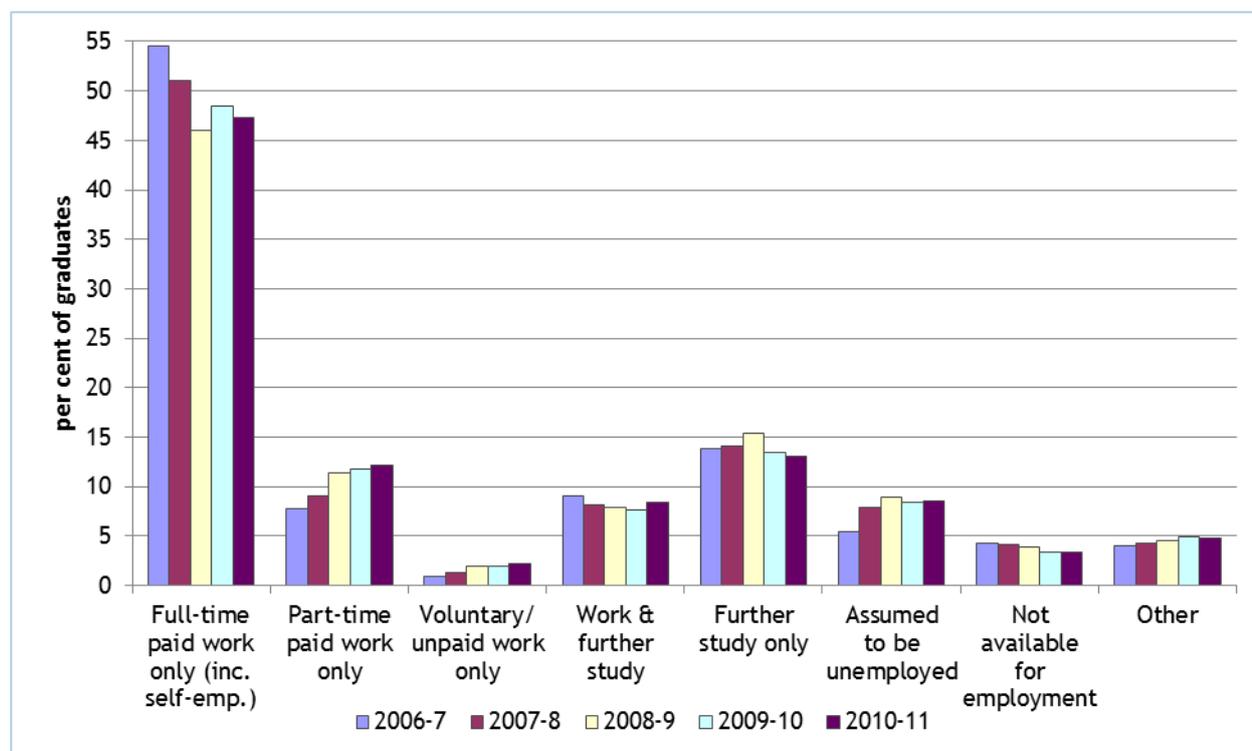
Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

The challenging economic climate and tough graduate labour market is also reflected in graduate earnings and the premium attached to higher level qualifications (often considered as an indicator of higher education productivity and of the value placed by society on the skills and jobs held by graduates). Some recent research finds that this premium, though still significant, has been declining slowly but steadily since the late 1990s. This has been attributed to: over-supply of graduates (see Purcell et al, 2005; Walker and Zhu, 2008; Purcell et al, 2013); along with the adversity of the UK economic situation more broadly. Whereas other research (Walker and Zhu, 2013) finds that there has been no significant narrowing of the earnings differentials between graduates and non-graduates when comparing post and pre-expansion cohorts. However deep differences in the earnings premium for graduates exist, mainly on the basis of degree subject (Bratti and Mancini, 2003; Bratti et al, 2005; Conlon and Patrignani, 2011; Walker and Zhu, 2013) but arguably also on the basis of institution attended although research here is again contradictory. For example Purcell et al (2013) found the decline in earnings for Futuretrack graduates was much steeper for graduates from 'low tariff access institutions'. Similarly, work by Chevalier (2014) used the longitudinal Destinations of

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[1]   See BIS (2015) Graduate labour market statistics: January to March 2015. Note that the definition of a graduate for these statistics is someone whose highest qualification is an undergraduate degree at bachelors level and the base is young people aged 21 to 30.

Leavers from Higher Education survey data for those graduating in 2003, and used propensity score matching to account for observable graduate characteristics and a calculation of institutional quality based on a set of educational inputs (including mean entry grade) to estimate the impact of 'quality' on lifetime earnings. He found 'considerable heterogeneity in returns to quality, with almost no returns for below median quality institutions and large returns for those attending the most prestigious institutions' (p4); and 'the quality effect is non-linear and accrues mostly to graduates from the highest quality institutions or with the best earnings credentials' (p28). Yet by contrast Walker and Zhu (2013) found that differences in earnings, when using estimated lifetime earnings, did not vary significantly according to type of higher education institution attended when controlling for individuals' family and background characteristics.

2.4.2 The impact of the recession and beyond on employer behaviour

In terms of employers and their trends in recruiting graduates, there are no robust and large scale data sources covering the entirety of the UK graduate employers. However findings from various surveys of known graduate recruiters (which tend to focus on large employers with a history of recruiting graduates) coupled with bespoke analyses of large national surveys of employers help to develop a picture of: the size of the graduate employer population (how many employers take on graduates); and how they have been faring in recent years.

Bespoke analysis of the latest UK Commission for Employment and Skills **Employer Skills Survey** (UKCESS) suggests that in 2013, 13% of all establishments had recruited someone during the last two to three years into their first job upon leaving university (this can include non-graduate jobs[1]) (see evidence annexe, Table 2.3). Earlier surveys in this series allow an examination of trends, and show the impact of the recession on graduate recruitment, notwithstanding the definitional changes in the survey over this time. Analysis shows that the proportion of employers taking on new graduates into jobs of any kind (graduate and non-graduate jobs) fell over time coinciding with the recession, but has increased again in recent years (see evidence annexe, Figure 2.6).

The UK Commission for Employment and Skills **Employer Perspectives Survey 2012** (UKCEPS), approaches the issue of graduate recruitment from a slightly different angle, asking respondents about the recruitment of young people aged 19 to 24, along with the job they were recruited into (using the Standard Occupational Classification (SOC) Major Groups). Thus it is possible to identify the recruitment of 19-24 year olds into managerial, professional and associate professional occupations (Standard Occupational Classification Major Groups 1-3, which act as proxy for graduate jobs). We can assume that most of this group are likely to be graduates ('probable graduates'), and given their age are likely to be entering their first jobs; but the group will also capture young people in employment in graduate level jobs, who may not be graduates, and/or 'experienced hires' in their second or third job rather than their first job after graduating. Another difference is that the Employer Perspectives Survey asks about the previous 12 months whereas the Employer

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[1] The Employment Skills Survey asks establishments whether they had hired someone to their first job on leaving university or another higher education institution in the last two to three years. However, the survey does not capture occupation, and so recruits could be in low-level, non-graduate work rather than in a 'graduate job'

Skills Survey asks about the previous 2 to 3 years. The results of the Employer Perspectives Survey shows that around 4% of establishments had recruited a young person aged 19-24 to a managerial, professional, or associate professional/technical job in the previous 12 months (see evidence annexe, Table 2.5). This is below the proportion from the Employer Skills Survey of 13%, but is expected to be lower given the narrower occupational restrictions and timeframe[1].

Targeted employer surveys also provide an insight into recent trends. The Association of Graduate Recruiters (AGR) published biannual survey reports are one example. These surveys of their member employers showed that, following a deep slump in the number of graduate-level vacancies in the 2009 to 2012 period, the number of graduate vacancies had been slowly rising again in 2013[2], although deep differences exist between sectors (see AGR 2013b; CIPD, 2013b). The High Fliers surveys are another example. Their graduate market reports focus on the top one hundred large employers in the graduate labour market, and their 2014 report also noted a recent rise in graduate vacancies. They found the number of available entry-level vacancies for graduates in 2014 in comparison to 2013 had increased by almost 9% , bringing the levels of graduate recruitment for 2014 to its highest level since 2007[3] (High Fliers, 2014). The recent CBI/Accenture survey of 325 employers (CBI/Accenture, 2013), also focused primarily on large organisations, highlighted a similar positive trend in the volume of graduate recruitment in comparison to previous years. This reported a positive balance of 20% of surveyed organisations planning to expand their graduate recruitment during the next 12 months[4]. It concluded that the improving job prospects for graduates reflected not only growing confidence among firms in the prospects of post-recession recovery, but also a recognition of the need to cultivate and expand their future talent pool (CBI/Accenture, 2013, p.21).

2.4.3 What jobs do graduates do now?

Looking more closely at the types of jobs graduates do six months after graduating, using the Destination of Leavers from Higher Education survey of individuals, among the most common occupations were: health professionals and associate professionals (13% in 2010/11); commercial, industrial and public sector managers (9%) and business and financial professionals and associate professionals (8%). However the most common occupational category (using the Standard Occupational Classification (SOC) 2000 and

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[1] Indeed, the 2014 Employer Perspectives Survey measured graduate recruitment in a similar way to the Employer Skills Survey, and found that 14% of establishments in England had recruited a Higher Education Institution leaver (of any age) within the past 2 to 3 years.

[2] The Summer Survey 2014 predicted an increase of 17% in available graduate vacancies overall, compared with 2013.

[3] The 2015 Graduate Market report by High Fliers notes how graduate recruitment is set to expand further in 2015 which 'takes graduate recruitment beyond the pre-recession peak in the graduate job market in 2007' (p5, High Fliers, 2015).

[4] The 2014 survey reported a positive balance of 30% of businesses planning to increase their graduate hiring over the next 12 months (36% expecting to grow their graduate recruitment set against 6% planning a reduction); CBI/Accenture 2014.

'What Do Graduates Do' publication categories[1]) was retail, catering, waiting and bar staff (14%), essentially non-graduate roles (see Table 2.1).

Exploring these trends in early occupational destinations over time (see Table 2.1), key findings include:

- As the recession deepened, early employment fell in business and finance, and the arts, but was largely on the way to recovery by 2010/11.

- Employment in social and welfare, health and education professional/associate professional roles peaked in 2008/09 and then fell away again as the graduate jobs market apparently improved. These are the three main areas for graduates entering the public sector.

- Marketing had a higher share of the graduate jobs market in 2010/11 than it had before the recession and the data suggest a long-term upward trend that was only temporarily interrupted by economic downturn.

- Employment in engineering and IT declined until 2008/09 followed by a recovery that, nevertheless, did not reach the levels seen in 2006/07. However, employment in science, and research and development (R&D) fell and accounted for less than 1% of total new graduate employment by 2010/11.

- Finally, the proportion of graduates entering non-graduate employment (using SOC(HE)) reached a peak in 2008/09 (36%), suggesting that the UK graduate jobs market therefore reached a low in that year and was in slow recovery thereafter (see Figure 2.6). This also confirms findings that not all employers that recruit graduates recruit them to graduate level occupations. This was echoed in the Higher Education Funding Council for England's published analysis which reported a decrease in the proportion of graduates progressing onto graduate jobs from the 2002/03 starting cohort to the 2006/07 starting cohort (HEFCE, 2013b).

Two additional trends were observed in the time period under examination. Firstly a sharp and sustained fall in the proportion of graduates entering clerical and secretarial occupations. These generally office-based administrative jobs of medium skills level, often with organisations employing significant numbers of graduates elsewhere in the business, have traditionally been considered springboards for inexperienced graduates to take their first steps in the workplace and to progress on to jobs more likely to require a higher education qualification. The loss of such a large number of roles, particularly outside London, may have had a detrimental effect on progression opportunities for graduates. And secondly, a high profile consequence of the recession was an increase in the number of graduates taking up relatively low-skilled jobs. This pattern of increasing proportions working in manual or elementary jobs was also reflected in analysis of recent graduates in the Labour Force Survey (see evidence annexe, Table 2.20).

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[1]   See http://www.hecsu.ac.uk/assets/assets/documents/WDGD_Oct_2012.pdf for more details.

Table 2.1: Occupation six months after graduating of UK-domiciled first degree graduates by graduating year (per cent)

	2006/07	2007/08	2008/09	2009/10	2010/11
Commercial, Industrial & Public Sector Managers	9.2	9.2	8.6	8.8	8.6
Scientific Research Analysis & Development Professionals	1.1	1.2	1.0	0.9	0.9
Engineering Professionals	3.4	3.2	2.7	2.7	3.0
Information Technology Professionals	3.7	3.1	2.5	2.8	3.0
Health Professionals & Associate Professionals	13.3	14.4	14.6	14.0	13.2
Education Professionals	7.3	7.6	7.5	7.0	6.6
Legal Professionals	0.8	0.6	0.6	0.7	0.7
Social and Welfare Professionals	4.1	4.7	5.2	4.7	4.0
Business and Financial Professionals and Associate Professionals	8.6	7.4	6.4	7.5	8.1
Marketing Sales and Advertising Professionals	4.7	4.0	4.1	5.0	5.2
Arts Design Culture and Sports Professionals	6.5	6.3	6.3	6.5	6.8
Other Professionals Associate Professional & Technical Occupations	5.7	5.2	4.6	4.4	4.5
Numerical Clerks and Cashiers	2.3	2.0	1.7	1.9	1.6
Other Clerical and Secretarial Occupations	9.6	8.8	7.8	6.7	6.3
Retail Catering Waiting and Bar Staff	8.6	10.4	14.1	13.6	14.4
Other Occupations	11.0	11.7	12.1	12.6	12.7

Source: Destination of Leavers from Higher Education surveys, HESA, 2007-08 to 2010-11

Figure 2.6: Types of work for employed UK-domiciled first degree graduates from 2006/07 to 2010/11 – graduate job categories
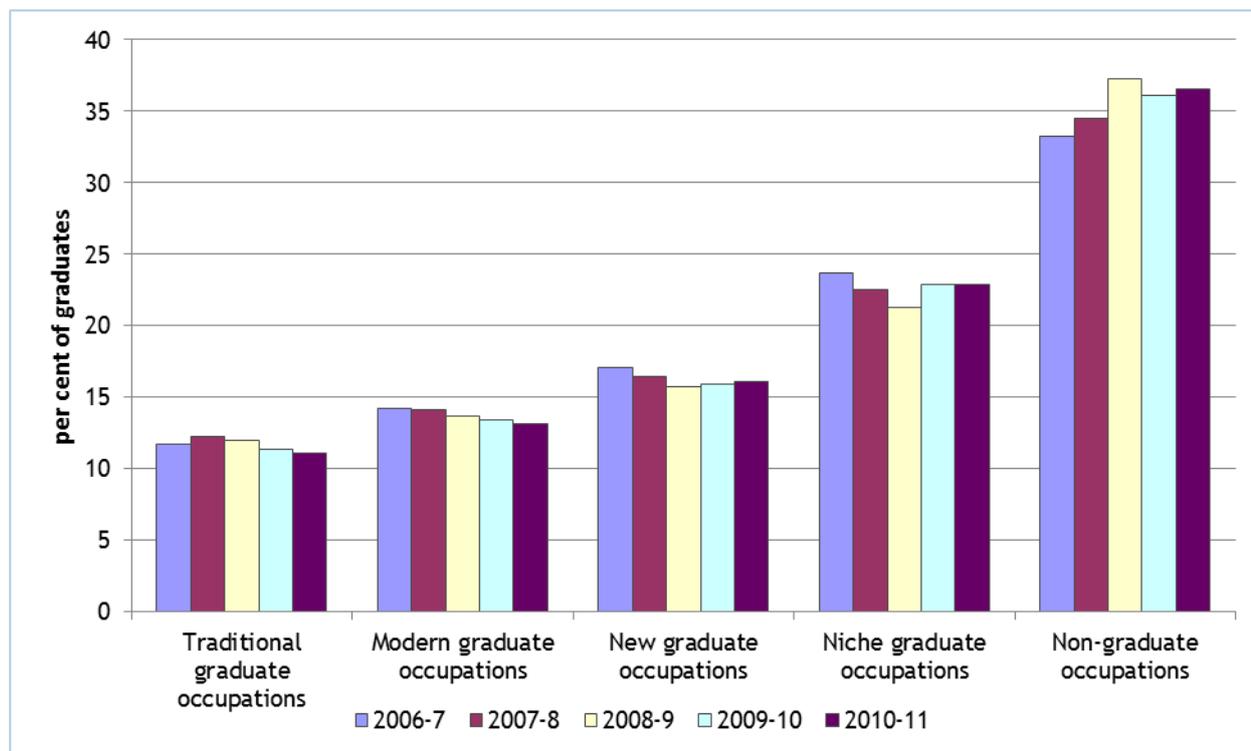
Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

2.4.4 Sectors in which graduates find work

Existing research evidence indicates the importance of the private sector in graduate employment. Purcell et al (2013) found that the majority of graduates, 58%[1], worked in the private sector; similar figures were reported by the Office of National Statistics (June 2013) on the basis of the 2013 Labour Force Survey. However, graduates were heavily over-represented in the public sector, with 41% of employed graduates working in public administration, education, and health compared with only 22% of non-graduates (ONS, 2013).

The Destination of Leavers from Higher Education survey provides further details on the sectors employing the largest numbers of UK domiciled first degree graduates and trends over time[2]. The health, education and retail sectors were the most common sector destinations for graduates, accounting for 14, 12 and 16% respectively in 2010/11 (see Table 2.2). However graduates' occupations in these sectors could include non-graduate level work.

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[1]   See also
     http://www.hecsu.ac.uk/assets/assets/documents/Futuretrack_Stage_4_Final_report_6th_Nov_2012.pdf

[2]   Over the time period 2007/08 to 2010/11. The 2006/07 DLHE was excluded as this used an earlier industrial classification which meant it was not directly comparable with the later data.

There were very different trends in these three sectors: the proportion of graduates entering the health and education sectors decreased from 2007/08; whereas the proportion entering retail increased with the onset of the recession. There was also an increase in the proportion of graduates working in hospitality and tourism, and a decrease in the proportion working in local and central government.

Table 2.2: Sectoral breakdown of UK domiciled first degree graduates in employment (of any kind) after 6 months (per cent)

	2007/08	2008/09	2009/10	2010/11
Manufacturing	5.9	5.3	5.7	6.2
Construct, eng, R&D	6.6	5.6	5.9	6.5
Retail	12.3	15.3	15.3	15.7
Hospitality & tourism	5.2	6.2	6.3	6.8
Logistics	1.3	1.1	1.2	1.2
Media & publishing	2.6	2.2	2.4	2.4
IT and telecoms	2.9	2.5	2.9	3.0
Legal and accountancy	2.6	2.4	2.5	2.7
Management consultancy	1.2	1.1	1.4	1.4
Other business and finance	9.8	8.5	10.1	9.6
Marketing and PR	1.3	1.2	1.5	1.6
Education	13.1	13.4	12.6	12.3
Health	16.8	16.6	15.4	14.1
Social care	3.9	4.6	5.2	5.0
Local and central govt	7.8	7.1	4.9	4.6
Arts, culture and sports	4.5	4.8	4.7	4.8
Other industries	2.0	2.1	2.0	2.2

Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

Similarly analysis of recent graduates in the Labour Force Survey finds health, education and the wholesale/retail sectors were the most common sectors, accounting for 21, 19 and 14% respectively (in April to June, 2013, see evidence annexe, Table 2.19). Again wholesale/retail has seen a steady increase in the proportion of recent graduates, although this has stabilised in recent years; and the education and health sectors saw a decline from 2010 but they are now starting to recover.

The variation in the sectoral distribution of graduates along with changes over time was also confirmed in the bespoke analysis of the national employers' surveys – Employer Skills Survey (UKCESS) and Employer Perspectives Survey (UKCEPS). However given their different methods for identifying probable graduates[1] and the types of employment entered, different patterns emerged in the two surveys. Yet both surveys indicated a higher propensity to recruit probable graduates among employers in the education sector and an

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[1] Probable graduates in the Employer Perspectives Survey are young people recruited to high level occupations whereas in the Employer Skills Survey probable graduates are individuals of any age recruited after leaving university into their first job.

increasing proportion of probable graduates employed in the hospitality and retail sectors over time, the latter being sectors generally associated with lower level occupations (see evidence annexe, Figure 2.8 and Tables 2.4 and 2.7). A Graduate Quotient (GQ)[1] was calculated to explore the issue of probable graduates in non-graduate jobs across different sectors. It should be noted that this analysis is based on a number of assumptions, and therefore should be treated with caution: critically that in the Employer Skills Survey those leaving university are assumed to be graduates; and in the Employer Perspective Survey young people (aged between 19 and 24) recruited into high level jobs are assumed to be graduates. Bearing these caveats in mind, a Graduate Quotient figure of greater than one indicates that the sector accounts for a greater proportion of graduate recruiters than it does establishments overall, and a Graduate Quotient figure of less than one indicates that the sector accounts for a smaller proportion of graduate recruiters than it does establishments overall.

Figure 2.7 illustrates the indicative the Graduate Quotient figures from the Employer Skills Survey and the Employer Perspectives Survey by industrial sector. In both surveys, the highest Graduate Quotient figure is found in the education sector, at over 2.5, while the production and construction sectors have Graduate Quotients of less than one in both surveys. The main patterns to note are listed below, but these should not be taken as absolute differences:

- The hotels and restaurants sector, which has a Graduate Quotient figure of 1.3 in the Employer Skills Survey but only 0.2 in the Employer Perspectives Survey, which suggests that lots of establishments in this sector are taking graduates on but into lower level occupations.

- The wholesale and retail sector, with a higher Graduate Quotient figure from the Employer Skills Survey than from the Employer Perspectives Survey (0.9 and 0.5 respectively), again suggesting a high proportion of graduates in non-graduate employment in this sector.

- The transport, storage and communications sector, which has a Graduate Quotient figure of 2.2 in the Employer Perspectives Survey but just under 1.0 in the Employer Skills Survey, suggesting most graduates in this sector are in graduate level jobs.

- Similarly, both the financial services and business services sectors seem to have high levels of graduates in graduate level jobs, as their Graduate Quotient figures calculated from the Employer Perspectives Survey, at 2.0 and 1.7 respectively, are higher than those calculated from the Employer Skills Survey at 1.3 and 1.2.

- The public administration sector, similar to hotels and restaurants and retail and wholesale sectors, would appear to have a relatively high proportion of graduate in non-graduate occupations, with a Graduate Quotient figure in the Employer Skills

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[1] Graduate Quotients are calculated by dividing the proportion of graduate recruiters each sector comprises by the proportion of all establishments it comprises; thus if a sector accounts for 20% of graduate recruiters and 10% of all establishments, the Graduate Quotient would be 2.0.

Survey of 1.5 compared with the figure in the Employer Perspectives Survey of 0.8 (see also evidence annexe, Table 2.8).

Figure 2.7: Comparison of the sectoral distribution of 'probable graduate recruiters' in the Employer Skills Survey 2013 and the Employer Perspectives Survey 2012
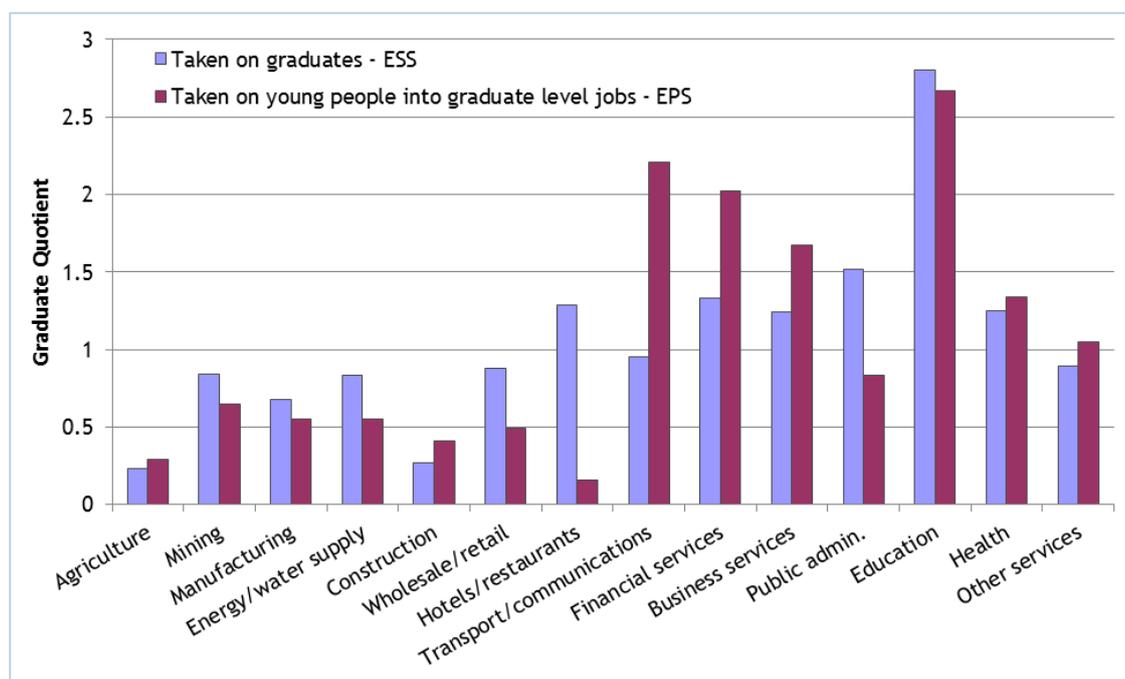
Source: UKCES Employer Skills Survey 2013, UKCES Employer Perspectives Survey 2012, IES/HECSU analysis 2014

The Destination of Leavers from Higher Education surveys at six months following graduation also provide information on occupations within sectors to enable the identification of sectors providing the greatest proportion of early graduate level employment. Using the occupational typology outlined in Figure 2.8, the most noticeable aspects are:

- The high proportions of graduates in the retail sector (72%), hospitality sector (83%) and logistics sectors (63%) who are in non-graduate occupations.

- The management consultancy and health sectors having the highest proportions of graduates in graduate-level jobs.

- Just under one in three graduates in the education sector are in non-graduate jobs, which is somewhat surprising given the sector has the highest proportion of graduate recruiting establishments in the Employer Perspectives Survey.

- In all other sectors the majority of graduates are in graduate level occupations.

Figure 2.8: Typology of graduate employment by sector (in 2010/11)
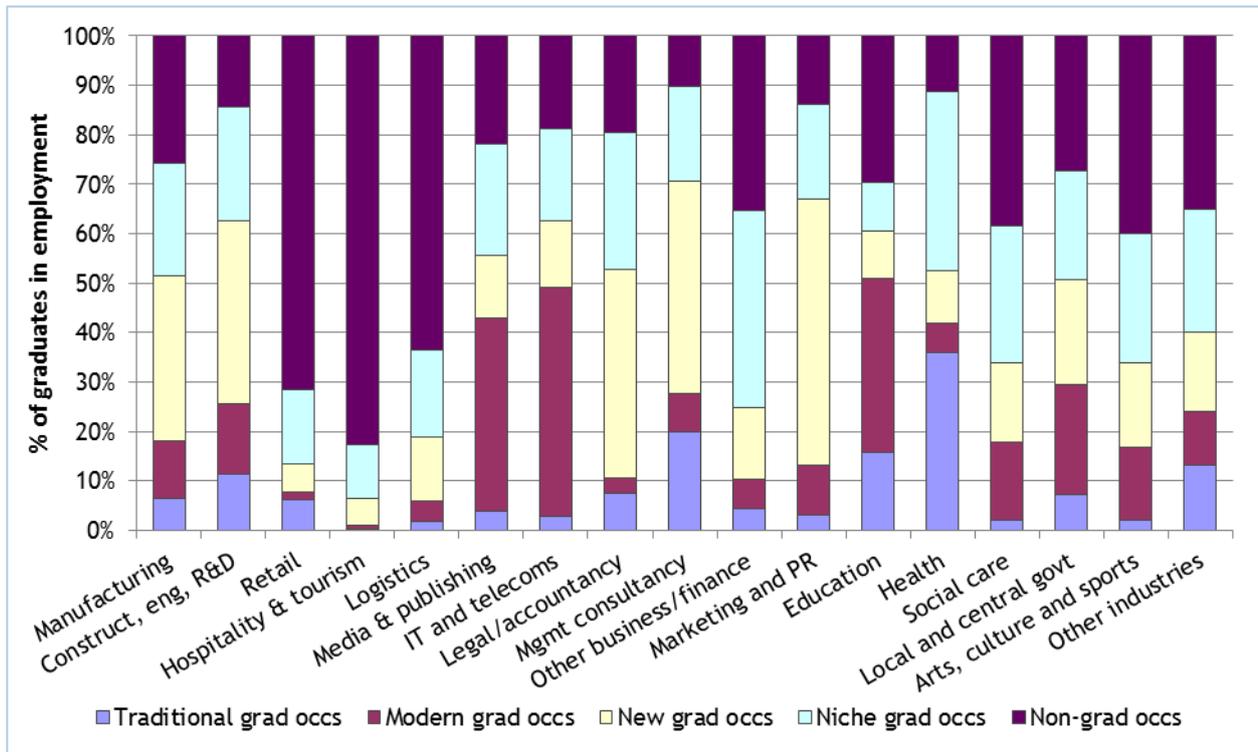
Source: Destinations of Leavers from Higher Education survey 2010/11; IES/HECSU analysis, 2014

2.4.5 Areas of the country in which graduates find work

Bespoke analysis of the national employer surveys (Employer Skills Survey) shows how establishments in London were much more likely than those located elsewhere to have recruited a graduate in the last two to three years (see Figure 2.9). However, outside London there was relatively little variation in graduate recruitment by region; the South East had the second highest proportion, at 14%, while the East Midlands had the lowest proportion at just under 10%.

The West Midlands, Yorkshire and The Humber, the South East and Scotland have seen the greatest increases in the proportions of establishments recruiting graduates, while in the East Midlands and Northern Ireland the proportion of establishments recruiting graduates decreased between 2011 and 2013.

Figure 2.9: Recruitment of graduates in last 2-3 years by region, 2011 and 2013
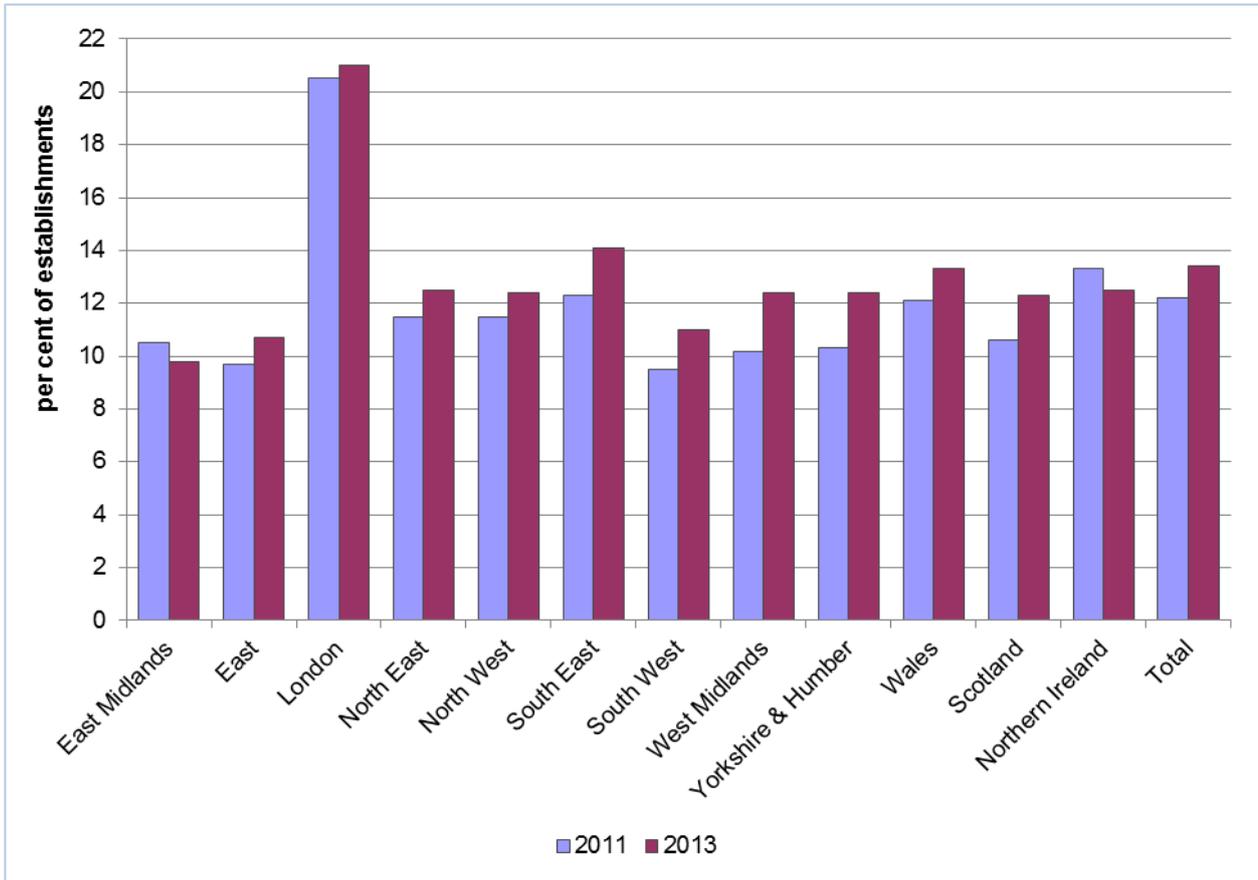
Source: UKCES Employer Skills Survey 2011 and 2013

A similar pattern was noted for individual graduate destinations, that is, where graduates found work, rather than where graduate recruiting establishments were based. The dominant effect of London (despite a trough in 2008/09) and the South East was again evident, with around one in five new graduates in employment working in the Greater London region, and a further 12% working in the surrounding South East region. The North West was the third most common destination for graduates in employment, with around one in 10 working there (see Figure 2.10).

Figure 2.10: Location of employment for UK-domiciled first degree graduates after six months
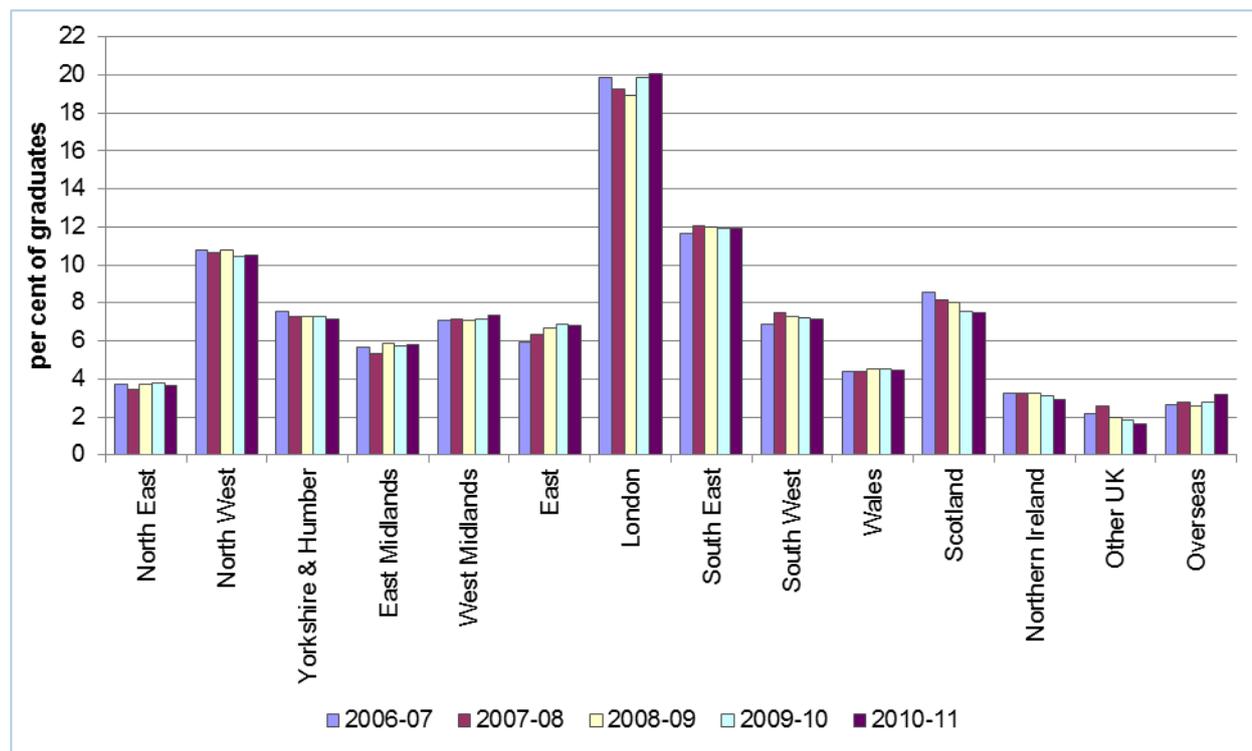
Source: Destination of Leavers from Higher Education surveys, HESA, 2006-07 to 2010/11

2.5 Graduate recruitment to small and medium-sized enterprises

The existing research literature highlights how, traditionally, graduate recruitment in the UK was seen as being mainly a prerogative of a relatively small number of large organisations as represented for example by the members of the Association of Graduate Recruiters (AGR), who have historically dominated the graduate recruitment market. It is difficult to determine with precision the share of graduates who were employed in small and medium organisations (SMEs). However the literature (Hart and Barratt, 2009; Sear et al, 2012) points clearly to the fact that graduates were, and continue to be, under-represented in SMEs, especially in small and micro-enterprises. Yet recent research (Phillips and Donnelly, 2013) based on a survey of high growth-potential small businesses showed some evidence that graduate recruitment in certain kinds of small and medium-sized organisations may be on the rise, as the economy recovers.

From the late 1990s and early 2000s onwards, an increasing body of literature explored the recruitment and utilisation of graduates by small and medium-sized organisations, usually defined as companies employing less than 250 employees (Stewart and Knowles, 2000a, 2000b; Holden and Jameson, 2002; Bradley et al, 2006; Holden et al, 2007; Pittaway and Thedham, 2005 Westhead and Matlay, 2005; Martin and Chapman, 2006; Woods and Dennis, 2009; Hart and Barratt, 2009). As the graduate labour market diversified and distinctions between traditional graduate and non-graduate jobs blurred, there has been an increased interest in the role of small and medium-sized organisations as graduate recruiters. They were seen as a new and increasingly important source of graduate recruitment.

2.5.1 Challenges faced by small and medium-sized organisations

Much of the literature explores the challenges faced by small businesses in the recruitment of graduates. Here several barriers were identified:

- **Information failure** (arguably the key barrier). Graduates do not know about the employment opportunities in small and medium-sized organisations or do not consider them suitable options for career progression or appropriate remuneration (Stewart and Knowles, 2000a, 2000b; Bradley et al, 2006; Heaton et al, 2008; Sear et al, 2012;Phillips and Donnelly, 2013). Small and medium-sized organisations struggle to see the added-value of employing graduates; they do not perceive graduates as sufficiently 'work ready', don't see the relevance of graduates' skills to their business activities, and/or perceive the costs (recruitment, salaries and supervision) associated with employing a graduate as too high (Stewart and Knowles, 2000a; CBI/UUK, 2009; Sear et al, 2012).

- **Skills mis-match** between the skills required by small and medium-sized organisations and those developed by graduates through their university experience. This is often articulated as graduates' lack of employability and work-readiness (see Martin and Chapman, 2006; Pittaway and Thedham, 2005; Nolan et al, 2010).

- **Capacity and resources constraints**. Small and medium-sized organisations often do not have the resources available to attract and recruit graduates through traditional recruitment techniques such as advertising or use of a recruitment agency nor to support them in their early career stages (Bradley et al, 2006; Sear et al, 2012).

However research suggests that perceptions (and thus barriers) of graduate recruitment within the population of small and medium-sized organisations could be affected by: a) size, with employers becoming more positive about graduates as their businesses grew (Pittaway and Thedham, 2005); b) by the qualification level of the owner, with those holding professional qualifications themselves more likely to recruit graduates (Pittaway and Thedham, 2005); and c) sector and business activity, with employers in high value-added sectors and with high growth potential more likely to employ graduates (Mukhtar et al, 1999; Pittaway and Thedham, 2005; Phillips and Donnelly, 2013)

The literature highlights that there is possibly a latent demand for graduates in small and medium-sized organisations to fill skills gaps, but this is not realised due to a lack of awareness about the potential contribution that graduates could make to the business and due to a lack of resources to support the recruitment of graduates (Sear et al 2012). Engagement of small and medium-sized organisations with higher education institutions, especially at the local regional or city level, therefore emerges from the literature as a positive strategy to 'bridge the gap' between these organisations and the graduate talent pool. Closer relationships would overcome informational barriers and lack of connections and help to meet the needs of students, graduates and companies. Engagement could involve offering work experiences or placements to students in local universities and colleges and using this as a first tool for selection and recruitment of future employees (Heaton et al, 2008). There were concerns however that links with universities still appeared to be limited, and two thirds of the employers surveyed by GTI/Step in 2013 (Philips and Donnelly, 2013) found it challenging to recruit graduates from universities and

would value closer contact with their local universities (see Chapter 5 for a more detailed discussion of employer-university engagement and the role this plays in graduate recruitment).

2.5.2 Extent of graduate recruitment among small and medium-sized enterprises

Bespoke analysis of employer data confirms that large establishments have a greater propensity to recruit graduates, although there are far more small establishments in the economy than there are large establishments. Analysis also showed that the likelihood of recruiting graduates increased with size of establishment. This is perhaps not surprising as recruitment per se will increase with establishment size. Findings from the Employer Skills Survey show that 5% of the establishments with two to four employees took on a graduate in the previous two to three years, compared with nearly 70% of establishments with 250 or more employees. The analysis also indicates that the increase in graduate recruitment in last two years (between the 2011 and 2013 surveys) has been among establishments with 10 or more employees, and there has been little change in the proportion of micro establishments (under 10 employees) recruiting graduates (see Figure 2.11).

Figure 2.11: Recruitment of graduates in last 2-3 years by size, 2011 and 2013
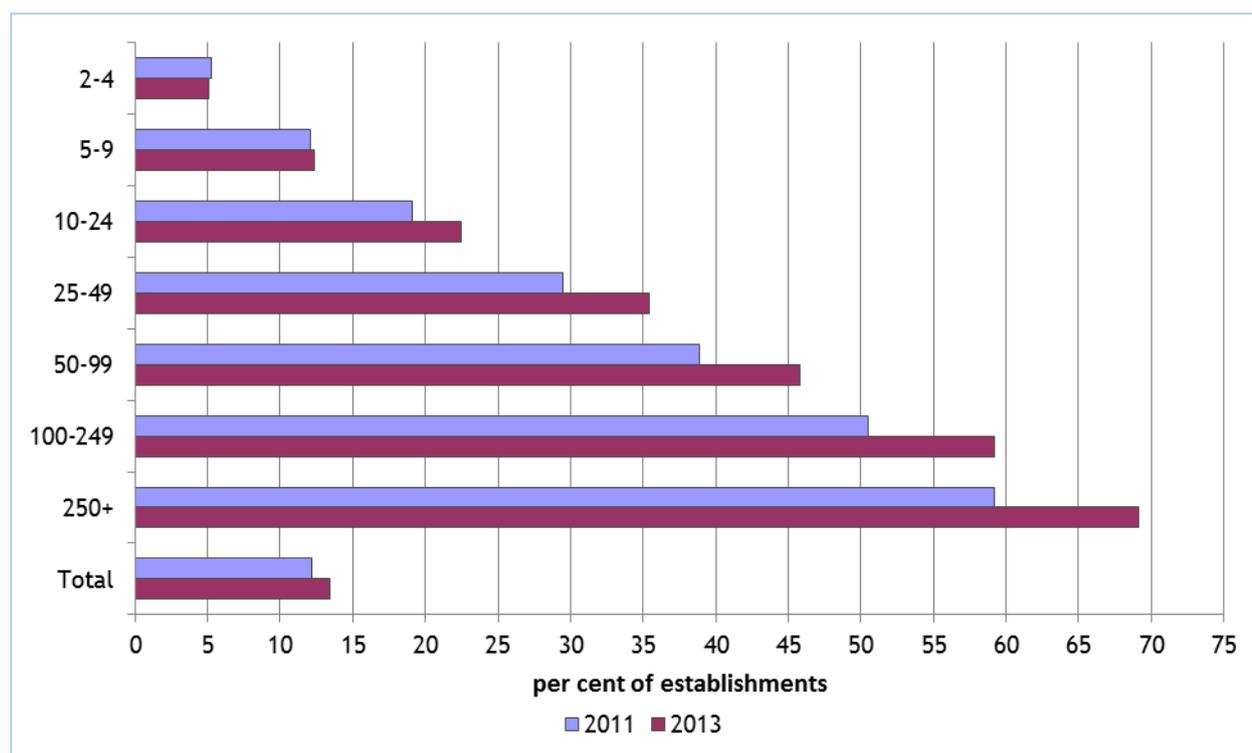
Source: UKCES Employment Skills Surveys 2011 and 2013

The results from the Employer Perspectives Survey show a similar pattern of the propensity to recruit probable graduates increasing with employment size, albeit at much lower levels (reflecting the occupational and timeframe differences). Here the results were: around 2% of the smallest establishments with two to four employees had recruited a young person to a graduate level job in the previous 12 months, compared with nearly 13% of the largest establishments with 250 or more employees (see evidence annexe, Table 2.6). Comparing the two sets of results suggests that those recruited to smaller

establishments were more likely to be recruited to a graduate level job than those recruited to larger establishments.

The Destinations of Leavers from Higher Education survey provides further details on the size of employer where UK domiciled first degree graduates gained work in six months following graduation. This shows that the majority of graduates started work in organisations with 250 or more employees (57% in 2010/11), although just over a quarter of new graduates were working in small establishments (under 50 employees, 28%), and 15% were working in medium-sized establishments (50-249 employees). In general the data suggest a small but steady increase in the proportion of new graduates starting work at small establishments across the period under investigation (from 26% to 28%, see Figure 2.12).

Figure 2.12: Employer size for UK-domiciled first degree graduates
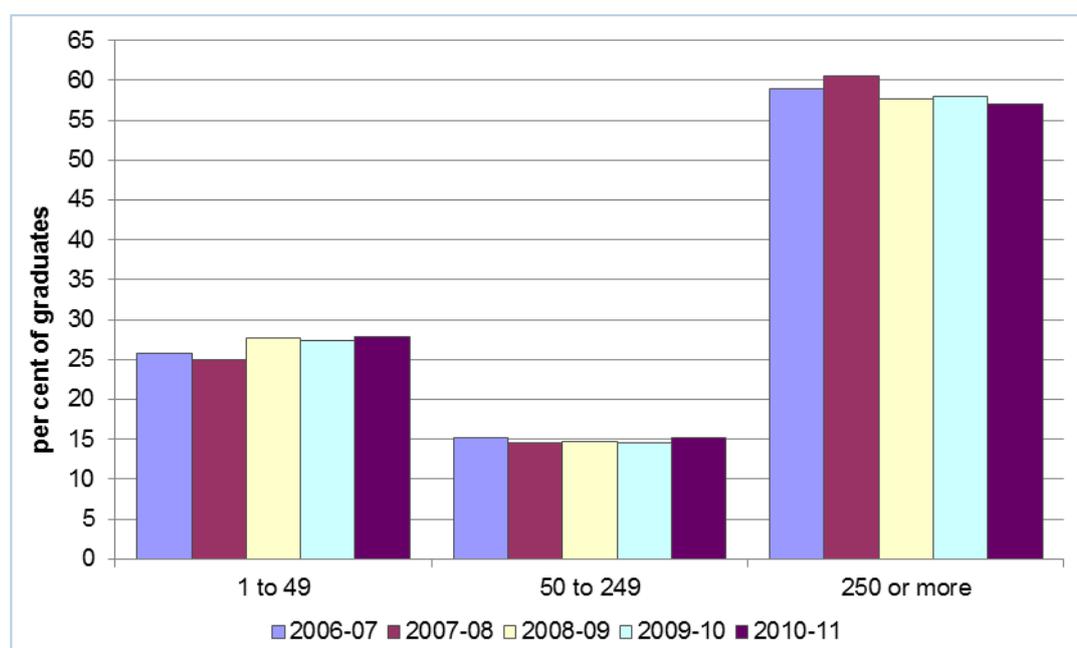
Source: Destinations of Leavers from Higher Education surveys, HESA, 2006-07 to 2010-11

2.6   Key points: graduate labour market

- In 2013/14 there were 354,000 UK-domiciled individuals who graduated from first degree programmes at UK institutions ('new' graduates entering the labour market); plus a further 88,000 graduates from other undergraduate courses, and 139,000 postgraduates.

- The number of students graduating from UK institutions had risen steadily over the last eight years; but the total numbers of graduates flattened between 2011/12 and 2012/13, and fell between 2012/13 and 2013/14. However the number of first degree qualifiers continues to rise. The rise in graduate numbers has fuelled debates about the over-education and under-employment of graduates and erosion of the graduate premium, particularly in some sectors. However research has indicated that graduate jobs have diversified through up-skilling, and although some are in jobs that do not

fully utilise their skills, the majority are in appropriate graduate level employment, and over time are increasingly likely to progress to graduate level employment

- The social background of graduates appears to be broadening, with an increasing proportion of graduates coming from local areas across the country least associated with participation in higher education.

- This widening of the social background has been accompanied by an increasing share of entrants in lower entry tariff institutions. However some research has linked the broadening of provision to a decline in the financial returns to higher education, with lower tariff or lower 'quality' institutions when controlling for students' backgrounds yielding lower lifetime earnings.

- The proportion of graduates gaining a 2:1 or First Class degree has been increasing, and in 2010/11 six out of 10 graduates gained at least a 2:1 degree.

- The recession had a major impact on the immediate destinations of graduates, with the proportion entering full-time employment falling from nearly 55% in 2006/07 to just over 45% in 2008/09, and increases in the proportion of graduates working part-time and being assumed to be unemployed over this period. Even in 2010/11, the proportion of graduates working full-time was still well below pre-recession levels; however recent figures show that full-time employment rates are now back to pre-recession levels..

- The recession also brought about an increase in the proportion of new graduates in employment who were in 'non-graduate' jobs that did not (fully) utilise their high level skills in the first few months after graduating.

- The latest evidence from national employer surveys suggests that 13% to 14%of all establishments in the UK had hired a new graduate of any age into any job in the previous two to three years; There were marked sectoral differences in the propensity for establishments to recruit graduates and in the industries that new graduates found employment: establishments in the education sector were most likely to have taken on a graduate, and high proportions of establishments in financial services, business services and health recruited graduates, while at the other end of the scale very few agricultural or construction establishments recruited graduates.

- Some sectors, most notably retail, and hospitality and tourism, had relatively high proportions of establishments recruiting new graduates, but took most graduates into non-graduate work.

- Greater London remains the powerhouse of the graduate labour market, with establishments in London nearly twice as likely as those in other regions to recruit graduates, and around one-fifth of graduates in employment working in Greater London.

- Larger establishments were more likely than smaller ones to recruit graduates, and the majority of graduates, more than 55%, worked in large employers with 250 or

more employees. However, the proportion of graduates working in large employers has been on a slight downward trend, and small and medium-sized enterprises provide many opportunities for graduate employment.

3 Employer demand for graduates

3.1   Introduction

The report turns now to evidence obtained mostly from interviews with employers rather than pre-existing statistical data.

This chapter looks at employer demand for 'new' graduates as they come onto the labour market immediately after graduation or soon after. There are a number of inter-connected factors that determine how employers express their demand for graduate recruits and what they look for when they recruit them.

The early sections of the chapter examine how employers think about and express their demand for graduates in terms of:

- why employers recruit graduates;

- the kinds of jobs and careers employers are recruiting graduates for;

- how the recruitment of graduates is positioned alongside other types of entrant;

- how demand is expressed in terms of 'schemes', job vacancies and other entry routes;

- workforce planning and graduate recruitment.

The later sections of this chapter look more specifically at what employers go to the market to try and recruit (what they look for and why) in terms of: level (first or higher degree), subject, and class of degree; and skills, competencies, experience and attitudes. This differs from the discussion in Chapter 6 which focus on the selection process and how and when in the process employers look for these qualities and attributes, and how these requirements fit together.

The chapter ends with information on how employers' demand may be changing and a summary of key issues related to employer demand for graduates. The relationship between supply and demand, that is, whether employers are satisfied with the graduates they recruit, is not mainly covered here, but addressed towards the end of the report in Chapter 9.

Before looking at the process of how employers decide on their demand for graduates, it is worth noting that the actual number of graduate entrants was very variable across the employers interviewed. Some were amongst the largest recruiters in the UK and took several hundred graduates each year, and also hundreds of apprentices and students on placements or internships. Most hired far fewer and it is also worth highlighting that some of the largest companies in the world did not hire many more graduate entrants than some much smaller ones. More than half the organisations interviewed recruited less than 25 graduates a year in their purposeful graduate recruitment, but this was still the case for over a third of the largest organisations (employing over 1,000 people). This fits with

analysis of the Association of Graduate Recruiters members who strongly represent the large recruiters. This shows that in 2011/12 two-fifths recruited less than 25 graduates per year, a further one-third hired between 26 and 100 graduates per year, and a quarter took more than 100 in that year (see evidence annexe, Table 3.1). It therefore cannot be assumed that size of company necessarily translates into either the scale or sophistication of its graduate recruitment.

3.2 Setting the scene

Following on from the overall patterns of graduate employment described in Chapter 2 this section summarises some of the key features of previously published research on employer demand for graduates, coupled with bespoke analysis of national data (where appropriate). Research has tended to focus on particular issues – often perceived as problems – in the graduate labour market. The following sections highlight some of those themes.

3.2.1 Employer demand and rising graduate supply

Throughout the 1990s there was concern that the expansion of higher education – so-called 'massification' – would lead to under-utilisation of graduates. Despite finding some evidence of graduate over-education and under-employment (Battu et al, 2000), this did not appear to be a structural characteristic of the UK graduate labour market up to the late 1990s (Belfield et al, 1997; Brennan, 1999; Teichler, 2000). At that point, however, employer capacity looked like it was starting to reach its limits (Mason, 2002; Scurry and Blenkinsopp, 2011).

As shown by the analysis in Chapter 2, since the early 2000s, the occupational destinations of graduates have increasingly diversified, with blurring of boundaries between 'traditional' graduate and non-graduate employment, and new categories of graduate employment emerging (Purcell and Elias, 2004; Chevalier and Lindley, 2009; Green and Henseke, 2014). Moving on to the second half of the 2000s, Purcell et al (2013) found that the graduates starting study in 2006 faced a much tougher labour market than previous cohorts; and Chevalier and Lindley (2009) found evidence of growing graduate over-education. However there are now signs (since 2013) that demand for graduates is once again on the increase, after a major slump in vacancies during the recession.

Questions are raised in the literature about the possibly declining standards and quality of graduates leaving universities and colleges in the context of 'massification' of higher education; many employers appear to be confused by the diversity of higher education courses and qualifications on offer, and concerns have often been expressed by employers about graduates exiting higher education without the necessary vocational or generic skills and competencies for work (CBI, 2009; Lowden et al, 2011; UKCES, 2014).

It is interesting to note that concerns about the work-readiness of graduates may in part explain the use of placements and internships as a graduate recruitment stream in its own right, especially in technical or professional fields (CBI, 2013; UKCES, 2014b). This theme is explored further in Chapter 7.

3.2.2 Technical versus generic demand

The literature identifies a degree of separation in the UK economy between: a) professional sectors in which the link between subject studied and job requirements is clearly identifiable; and b) sectors in which occupations have instead a much looser alignment to subject studied (CFE, 2013). This is coupled with a scenario of overall skills polarisation characterising the UK economy, where skills intensive, high-value added sectors co-exist with a large segment of low-skill, low value added sectors, mainly concentrated in services (Brown et al, 2001; Goos and Manning, 2007).

Purcell et al (2002) note that differences in employers' needs exist between specialist professional and technical occupations and more general management, administration and service occupations. In the former, specific degrees often in science, technology, engineering and mathematics (STEM) subjects appear to be a clear requirement, linked with the possession of specialised technical and occupational knowledge. This is indeed the area where employers still struggle to fill their recruitment quotas – despite the expansion of graduates in supply. In the latter type of occupations, on the other hand, the link between degrees and jobs appears to be looser.

An interesting feature of the graduate labour market in the UK is the widespread phenomenon of employers recruiting graduates of any subject discipline. Evidence from the Association of Graduate Recruiters membership surveys (which tend to represent large and well established graduate recruiters) indicates that 30% of employers look for specific degree subjects when recruiting and this has remained relatively stable over time, thus 70% recruit from any discipline (see evidence annexe, Table 6.1). However analysis of a random selection of vacancy data from a specialist graduate recruitment company supporting a wider range of organisations suggests that only a quarter of vacancies they handle do not specify a particular subject, but this is considerably higher in some sectors including business services and for some occupations such as business, management, marketing, sales and advertising. Graduate vacancies in the areas of engineering, manufacturing, information technology (IT), analysis or science tend to call for a specific (relevant) degree (see evidence annexe, Tables 6.8 and 6.9).

3.2.3 Skill requirements

The literature seems unanimous in observing that employers attach great importance to 'generic' transferable skills (see Raybould and Sheedy, 2005; CBI, 2009; Brennan and Little, 2010) in the graduates they recruit.

Purcell et al (2002) found that employers were more concerned with competences than qualifications per se when selecting graduates, including generic skills such as communication and team working skills and personal attributes. Dawson et al (2006) in their study of graduate skills and recruitment in the City found that the vast majority of financial services employers targeted graduates who did not specialise in any particular subject, and attached a higher value and selected candidates on the basis of behavioural skills and attributes rather than specific knowledge.

Strong employer demand for generic skills and behaviours is also evidenced by the complaints employers have made in many studies in the last ten years or so concerning graduates' lack of work-readiness and workplace experience (eg Pittaway and Thedham,

2005; Martin and Chapman, 2006; CBI/UUK, 2009; CIHE, 2010; Nolan et al, 2010; Lowden et al, 2011; CBI, 2013; UKCES, 2014).

In the most recent Employer Skills Survey ('UKCESS', 2013) these issues were raised in terms of work/life experiences and personal maturity. These shade into what universities often call 'employability' – a term used much less by employers. Bespoke analysis of the Employer Skills Survey finds that those taking on a graduate tended to feel they were well prepared for work (25% very well and 63% well prepared). However employers have become slightly less positive about the work preparedness of graduate recruits since 2007 (see evidence annexe, Figure 3.1). Those establishments who felt their graduate recruits were poorly prepared for work most commonly cited lack of experience of the world of work, life experience or maturity as the key deficiency (60%). This was considerably higher than those who felt their graduate recruits lacked required skills or competencies (39%) or had a poor attitude/personality or lacked motivation (36%, see evidence annexe, Table 3.8)[1]. Over time, concerns about work/life experience appear to be increasing (see evidence annexe, Table 3.9).

3.2.4 Employability

There has been a growing emphasis in recent years on the role that higher education institutions can play in relation to graduate employment and to the corresponding growth of the so-called 'employability agenda' as a key concern for higher education institutions (for a review of the employability literature, see Tomlinson, 2012; Holmes et al, 2013). There is a perceived need to bridge the gap between the attributes and specialisms which students develop in higher education and the actual requirements of the world of work (NCUB, 2014a). As Chapter 7 will highlight, relevant work experience is highly valued by employers, and is very much part of the employability agenda.

3.2.5 Graduate demand from small firms

There has been strong research interest in the historic under-representation of graduates in smaller organisations in the UK. Demand for graduates is still lower in small firms than large organisations (Hart and Barratt, 2009; Sear et al, 2012) although possibly rising (Phillips and Donnelly, 2013). Stewart and Knowles (2000a, 2000b) found that the skills sought in graduates by small and medium-sized enterprises were similar in many respects to those sought by large employers, with a strong focus on 'transferable' skills but even more emphasis on the capacity of applicants to 'fit' within the organisation. The perceptions by graduate employers of the value added by graduates to small and medium-sized organisations was found to lie mainly in their capacity to contribute to the company with fresh ideas and imagination, in their well-developed management potential and in their capacity for flexibility and quick learning. Whereas there was widespread belief that other, more 'technical' skills could be taught on the job in the vast majority of cases (Phillips and Donnelly, 2013).

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[1] The latest Employer Perspectives Survey 2014 explored for the first time employers perceptions of the work preparedness of new graduate recruits. This found that in England, 81% of establishments recruiting a university or higher education leaver in the past 2 to 3 years felt they were very well or well prepared. As found in the Employer Skills Survey, where graduates were considered to be poorly prepared this was due to a lack of work or life experience or maturity, followed by poor attitude, personality or motivation..

3.3   Why do employers recruit graduates?

The rest of the chapter considers the primary research evidence from interviews with employers and stakeholders.

This study focuses on the recruitment of graduates into their first graduate-level job. The employers interviewed in this study were all hiring new graduates, whether after a first or higher degree, and had a variety of reasons for doing so.

3.3.1 Technical skills and professional pipelines

Following the findings outlined above from the research literature, one of the clearest rationales for recruiting graduates was to fill job roles for which the subject-specific skills, knowledge or qualifications acquired in higher education were relevant or necessary. Common examples were in engineering, science and Information Technology (IT) but also in more niche occupations like linguists for translation. The majority of the employers interviewed were looking for technical knowledge or specific subjects in at least some of their graduate recruits.

In science or technology based work there were differing balances between looking for the degree as providing theoretical background and expecting very specific knowledge of procedures or techniques. Several employers commented that they did not know much in detail about the relationship between practical skills taught in degrees and those they would use in the workplace. Some suspected the practical elements of some degrees were not necessarily up to date and so would need to be taught at work. The recruitment of higher degree graduates (eg scientists into research and development labs) was sometimes driven by the search for specific practical skills as well as theoretical knowledge.

Sometimes a degree was necessary for the further professional qualifications which a recruit would require in time. This was often the case in engineering but also in other professions.

Some employers of technical people, especially in specialised or niche markets, found it very difficult to recruit experienced staff with the right skills and so looked to graduates in a relevant subject area as the best entrants to train up.

> 'We're a very specialised company ….. so we do struggle getting the right people…. Whoever we bring in, unless they're extremely well-experienced, they don't tend to come with the right skill set. So we figured that the easiest way to actually do that would be to bring really bright, intelligent, inquisitive younger people into the fold, and then train them in our specific skill set.' [Medium-sized employer]

3.3.2 Potential managers and leaders

Graduate recruitment was often seen as creating the pipeline for future managers and leaders. Around a third of the employers interviewed answering this question said that their recruitment was 'mostly' to fuel their leadership pipeline and nearly three quarters said this rationale was present to at least some extent. Where organisations were mostly looking for future leaders, demand was more about bringing in individuals with the right kind of

'potential' rather than the ability to enter managerial roles straight away. Quite a lot of graduate training schemes were pitched at future leaders, sometimes also combined with developing technical or functional skills as above. But the leadership pipeline driver was by no means limited to employers explicitly offering 'schemes'.

The largest employers were most likely to be looking for future leaders, but even then many of these larger employers said this was one, but not the only, pipeline rationale. The smallest organisations in this study were much less likely to be taking on graduates primarily as future leaders, but leadership was still a driving factor in some of the small and medium sized businesses. Those organisations interested in potential leaders saw graduates as being able to power growth in the business, linking managerial potential with new ideas. Others, including small and medium sized firms, were actively thinking about succession planning for their next generation of business leaders.

> 'We need to think about the legacy of the business and the continuation of the business. Now, in reality, I turn 50 this year, my business partner is 57, we need to be training a good quality graduate up, yes, with the right skillsets in the business so that they fully understand every aspect of the business to start taking it off myself and my business partner. And unless we can do that… we can't sell the business, because it's wholly dependent on me and my business partner. And so, in terms of legacy planning, trying to get those skills into SMEs, it's vital.' [Small employer]

3.3.3 General intellectual ability and rapid learning

A rather more general rationale for taking graduates was the perception of their intellectual abilities, often associated by employers with being able to be trained into more complex types of work. Related themes included being able to research, to acquire new knowledge or understanding and to do this quickly. Some employers saw a direct relationship between the skills to study and pass exams and those needed to take on board new knowledge in the workplace.

> 'We need people with … strong academic skills, that have that university training so they know how to research properly, they know how to write properly and who can apply all of those sorts of research skills to the problems that we're looking at. And that's why we need graduates for that, really.' [Small employer]

> 'We've found that people who are not graduates have …. worked here and haven't really….kept up to pace with everything, they've fallen behind. Because I suppose it's led by me, and I ask a lot from people.' [Small employer]

Some of the employers interviewed in this study felt that the increase in graduate numbers had led to dilution of general 'quality', so that they did not necessarily see a degree as a guarantee of intellectual ability. As this chapter shows later, employers' ideas about 'quality' or 'ability' placed strong emphasis on social skills and work attitudes, not just cognitive ability. So intellect was certainly a start point for considering graduates, but only part of what they were looking for.

3.3.4 Fresh ideas, creativity and innovation

Quite a lot of the employers interviewed, especially the larger ones, hoped that young graduate entrants would have new ideas, be more creative and help the business to facilitate change. Sometimes there was a driver for conscious culture change. This might actually make the experience of joining the organisation quite uncomfortable for graduates who may find themselves at odds with those already working there.

Part of the thinking about fresh ideas was sometimes associated with wanting young people who had not been socialised by other employers.

> 'We're very entrepreneurial, a bit of a group of go-getters… that's why we've always gone down the graduate route, to be honest…..we like to get people in who are fresh, people who've got a right attitude, want to get on in life, and haven't got a lot of "work baggage" from previous employers.' [Small employer]

3.3.5 Demographic rebalancing – investing in the young

Some organisations were concerned about an ageing workforce, especially in the public sector and utilities industries, and the need to replace professionals and managers soon to retire. Bringing in graduates was seen as a way of restoring a healthier mix of ages. For some it was also a desire to invest in a younger generation as means to support business growth. Again this idea was present in smaller organisations not just large ones.

> 'If we can't hire those people ready-made, we're going to have to take some graduates and develop them. So we're looking for people that we will invest in, because the more we invest in them, not only is our team improved, but they're more likely to stay with us, so it's quite a long-term approach.' [Small employer]

Some organisations did not have permanent jobs suitable for fresh graduates, either because of their work mix or because of severe financial pressures, but still wanted to take on graduates, often as interns, to provide opportunities for young people. As later sections of this report show, once interns were in an organisation they were quite often converted into permanent recruits.

3.3.6 'Grow your own' resourcing and a positive employment brand

The next section examines the pros and cons of graduate recruitment as against experienced hires. Some organisations in this study had a strong history and culture of 'growing their own' talent and saw this as an important part of their resourcing strategy. For such employers, both public and private sector, their recruitment and training of graduates was a very visible part of this commitment and an important part of their 'employer brand'. Growing their own was seen as giving better skills but also attracting and retaining some very good quality people. Similarly in small firms, owners or leaders with a positive personal attitude towards graduate recruitment promote this as part of their resourcing strategy.

Employers with an especially strong emphasis on their graduate intake had often kept up graduate recruitment numbers through the recession so as to preserve that particular aspect of their employment brand, which they believed would be easily lost and hard to re-

build if they withdrew from the graduate market even for a year or two. This was especially the case for recruiters of shortage skills such as engineering.

'We've been doing it [graduate recruitment and development] for 20, 30 years…. so our graduates are deemed to be future leaders. In terms of our succession planning they are looked on very heavily as being part of that succession planning for future roles in ten, 15 years' time…. So it's what we've done for many, many years, and will continue to do so. So even in recent times where people have looked at probably cutting down numbers, reducing them, it's something that [company name] haven't done at all. In fact, our numbers have only gone up year on year, because it's been deemed that this is a pool that we really just wouldn't want to touch. It would have a detrimental effect externally, out on campus and things, if they got to hear that you're reducing the numbers' [Large employer]

3.4   Graduates alongside other types of entry

There are good reasons why employers choose to employ fresh graduates, but also reasons why they may not. In particular they may prefer people with a degree but also a significant amount of employment experience, or people coming out of the education system at different levels.

Some stakeholders interviewed felt that employers tend to over-recruit graduates – and then possibly under-employ them.

3.4.1 Graduates a few years out of higher education

Some of the employers interviewed were offering graduates their first 'graduate job', but finding they did best with graduates who had completed higher education a little while ago. In this sense those newly graduating are in competition with graduates who graduated into a poor labour market during the recession or chose to do other things for a while.

'Primarily we are targeting graduates with first degree, first year of experience. But obviously more and more we have candidates applying to us that may have graduated two, three class years out. So they have some work experience under their belts, but just not necessarily have been in a position to get themselves into the career destination of their choice…. So that's primarily where the targeting of candidates is.' [Extra-large employer]

'We classify [our entry] as recent graduates, young professionals and career changes. Roughly a quarter of the cohort are young professionals or career changes….young professionals for us are three to five years out of university and career changes are five plus years out of university.' [Extra-large employer]

Even a small amount of experience was seen as improving the readiness of graduates to work in a business environment – a frequent concern for small firms.

'… the half dozen that we're recruiting… maybe half of them would have come straight from University, so fresh post-grads or graduates. I have to say that we have better experience with the ones who have worked in a company. It's a lot more risky to take

people straight from academia because … some of them aren't really attuned to what it's like to work in a business.' [Small employer]

3.4.2 Experienced hires

Employers were often balancing their recruitment of recent graduate entrants against that of people considerably further on in their careers with much more experience, at higher salaries and coming into more senior roles.

Experienced hires were an important source of skills and experience but could be hard to find with the right skills, especially in specialised areas of activity or in scarce occupations. Experienced hires had stronger CVs but could still be high risk if they did not meet expectations, partly because they were more expensive. Small or medium sized organisations considering graduate recruitment were often looking at the makeup of teams or the whole workforce when deciding what level of experience is needed.

3.4.3 School or college leavers and apprentices

A key feature of changing resourcing patterns was the high level of employer interest in entrants from school or college without a degree and especially in apprentices. Many reported this interest had been rising lately. Indeed bespoke analysis of the Employer Skills Survey (2013) undertaken for this research indicates that one half of establishments recruiting graduates also recruited young people directly from school or college (see evidence annexe, Table 3.9)[1]

The employers indicated how sometimes these alternative sources of recruits were coming into jobs and careers distinctly different from graduates and generally with lower career ceilings. In traditional manufacturing environments, for example, apprenticeships and other schemes for school leavers were often focused on the more practical skills of maintenance and production. However new types of high level apprenticeship schemes were developing in jobs not historically fed by formal training schemes – for example customer service jobs in retail, junior administrative roles in public services and various information technology (IT)-related work areas.

'Last year we launched our first apprenticeship programme from our Newcastle office, and we've just launched one to start in September in our London office. And those are both software engineering apprenticeships.' [Large employer]

Several companies of varying sizes were interested in taking trainees without degrees, often initially as apprentices, and training them right through to graduate level and beyond. This route was seen as in some ways the best of both – getting the theoretical understanding of a graduate but with the practical skills and business orientation of a less highly qualified entrant.

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[1] Similarly the latest Employer Perspectives Survey 2014 found that whilst 31% of establishments in England had recruited education leavers in the past 2 to 3 years: 16% had recruited a school leaver (aged 18 or younger), 11% had recruited a college leaver and 14% had recruited a university leaver. Suggesting a significant overlap.

'From a technical support, engineering, scientific point of view I think that doing an apprenticeship first is excellent, and it's not always something I think that actually the students, or the young people themselves have bought into. I think they'd much rather do a full-time degree, and then go straight into work. But, from my experience, if you get somebody who does an apprenticeship, they've got that kind of work ethic, and they're very practically switched on. And then academically if you're bright enough to then go on and do a theoretical degree, you've got somebody who's really good, really worth hanging on to.' [Large employer]

Some employers emphasised that this is not a cheap way of growing professionals, but that apprentices may have a stronger loyalty to the geographical location and develop a stronger loyalty to the business through their training, and so be easier to retain. Some also felt it was part of their corporate social responsibility[1] to give school leavers a good start in their working lives.

Employers were often seeing a much more blurred line between graduate and school leaver entrants. This was partly because of the very variable quality of graduates but also because of a perception that some very able young people may not now be choosing higher education, especially with rising costs.

'We will look at more non-graduates going forward. We'll look at those people who no longer want to take degrees because it's too expensive, they want to earn some money first. So we'll look for A-level leavers that will join us on a trainee basis and we might support their further education through sponsorship etc., to get qualifications. So there will be a very good quality of school leavers at 17/18 who have made a conscious decision not to go to university because they don't want to be in debt with the fees but they're very good for us.' [Extra-large employer]

Where graduates and non-graduates were in competition for very similar kinds of work, graduates were often seen as having the edge intellectually and in terms of rapid learning, but non-graduates were often seen as having a better commercial or customer focus. Some employers had recently opened up at least some of their graduate entry routes to non-graduates and others were intending to do so.

3.4.4 Mix and match

This study found many employers consciously adopting a mix and match approach to recruitment in response to shifting perceptions of where the people they needed might be found and their own capacity to train people up in more varied ways. Employers were hiring graduates after their studies but also from varied forms of work experience and internships (as described in Chapter 7) as well as some more experienced hires and recruits from other parts of the education system, especially school leavers and apprentices.

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[1] This can be defined as a company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. http://www.businessdictionary.com/definition/corporate-social-responsibility.html

'We're trying to be a bit more strategic [about]… different markets we can tap into…. For example…we have apprentices in the workshop, joiners, things of that nature doing proper apprenticeships right up to, like I said earlier, the graduates that come in to construction management…. If we've got the right person then we can actually train them into doing anything. So it's being very flexible because we've got a good support mechanism for them as well.' [Extra-large employer]

3.5 How demand is expressed: jobs, schemes and careers

The rationales for recruiting graduates and how they are seen in relation to other types of entrant fed through into how employers talked about their current and future demand for graduate entrants and what is on offer for them.

3.5.1 Dimensions of difference

The types of jobs which employers talked about in relation to graduate entry were very varied but seem to be differentiated along several dimensions:

- Whether the jobs were seen as 'graduate' jobs ie a high proportion of people in those jobs were expected to be graduates. Some jobs filled by graduates were not necessarily intended specifically for graduates.

- Whether the jobs were filled by entrants with specific technical skills or knowledge, usually from a relevant subject of study, or open to suitable graduates from any kinds of degree.

- Whether employers expected to offer significant further training to make graduates productive in their early jobs. Training was described in various ways – not only in terms of graduate 'schemes'.

- Whether employers offered significant career progression beyond entry level jobs and if so what future career paths they had in mind.

3.5.2 Jobs, graduate training 'schemes' and training

Employers were asked whether graduates came into specific jobs or training schemes or both. Nearly half of those answering this question used schemes only, about a third said jobs only and the rest both. Recruiting directly to jobs was more common among small firms than among the largest employers, and small firms appeared to be resistant to using the label 'scheme' due to small number of recruits involved.

The issue of graduate 'schemes' versus jobs is at least in part about how much training is required. The amount of training employers expected to give varied along a continuum. Those graduates requiring very little early training often came from degrees which included a high proportion of professional training and related work experience. Those requiring far more training were often entering quite technical fields (such as marketing, finance, law) in which professional training often took place post-graduation.

Indeed, fresh graduates coming into specific jobs without significant training seemed to be either entering roles directly related to vocational degrees (including some higher degrees). However some were graduates applying to vacancies not specifically intended for graduates (ie non-graduate jobs). So although in theory a lot of graduates may be entering 'jobs' rather than 'graduate schemes', it was not very clear that such jobs offered graduate-level work immediately from a non-specific degree.

Larger employers recruiting to graduate training schemes knew very little about graduates who were recruited direct into jobs at local level and they knew even less about entry to what might be called 'non graduate' jobs. Examples given were of store jobs in retail, customer service roles in hospitality, call centres etc., and administrative jobs. Such vacancies were often filled locally not corporately, so interviewees in large organisations responsible for graduate entry at the corporate centre did not track such recruitment. Smaller organisations were often more aware of graduates who had entered into 'non-graduate jobs'.

Graduate 'schemes' were still popular with the employers interviewed, especially the large employers. They were characterised by:

- A clear recruitment campaign; often on an annual cycle.

- Some form of structured early training. This was sometimes but no means always through a fairly short period of tenure in a range of early job postings, often to give breadth of experience, especially on management schemes.

- A clear promise of career progression at least up to some kind of destination job or level which the scheme was aimed at.

However, as might be expected, the difference between 'jobs' and 'schemes' was not always as clear. Employers recruiting to 'schemes' did not always offer much more training or broader early career experience than those employers saying they recruited into 'jobs'.

For example, a medium-sized employer offered extensive early training, both collective and individual, for several years and also had structured ways of managing further career progression but did not call this a 'scheme'.

'They're coming in to do a job, so they will very much from day one be given responsibilities, line of sight to the business and things like that…. real issues; the disadvantage is you can be very much thrown in at the deep end. There's very little training period …. because you're accountable for delivering straight from the start, notwithstanding the support from training; you're not on a training scheme, but there's support from training.' [Large employer]

This raises the issue of whether graduates and universities are sufficiently aware of the range of training opportunities outside of the best known and very visible graduate training schemes. Students may under-estimate the amount of development offered by employers who do not call their entry a 'scheme', especially in the case of small or medium sized organisations.

3.5.3 Different types of graduate entry 'scheme'

A number of the large recruiters had a range of graduate entry/training schemes. These sometimes included what one might call a 'general management' entry scheme, pitched at early entry to managerial roles and the potential to reach very senior leadership roles in the business. Such schemes were sometimes seen as going out to get 'the best' graduates and offering this group greater career prospects than others.

Some large employers had one or more schemes aimed at particular areas or functions of the organisation, sometimes also in combination with a general management type scheme. Some functional schemes were linked to specific subjects of degree study.

> 'We run three programmes. We run the business leadership programme, which is focussed upon finding our future leaders and it's quite an ambitious programme….. within 10 years of them being at senior leadership team, executive level. We also run two programmes that we call technical leadership programmes, so an engineering scheme, which is being run for the first time this year, and what we call an information systems leadership programme, which is focussing on the technical systems-based area of our business…. And both of those programmes are again aimed at new future leaders, but it's kind of that technical progression.' [Extra-large employer]

Several of the large employers had built up a large number of different graduate entry schemes – 10 or more. Some felt that this was all getting very difficult for graduates to understand and wondered whether it would be better to market these opportunities more as an 'umbrella' of schemes, with differentiation underneath that umbrella.

3.5.4 Career expectations and career paths

In both the technical and more generic kinds of jobs specifically aimed at graduates, there was an almost universal expectation of at least some career progression beyond the first few jobs. This was the case whether recruitment was into a 'job' or a 'scheme' (as discussed in the next section).

Although employers were hoping to offer at least some degree of career progression, they were sometimes concerned that the graduate recruitment process might inflate the career expectations for recruits to an unrealistic extent.

One of the quite complex choices for employers was whether to segment graduate entry into those heading for managerial careers versus those likely to remain in professional jobs. This career path segmentation often lay behind the various types of scheme described above. The stakeholders also saw a mix of professional/technical career paths and leadership paths for graduates.

> A medium sized scientific company recruited PhD scientists for its key research and development (R&D) professional workforce but also as its future corporate leadership pipeline. This was because of the product appreciation needed in its specialised market. The company had talent processes to pick up potential general managers a few years into their career.

A much larger engineering company looked for embryonic leadership behaviours in its engineering recruits but was concerned that this overly emphasised the opportunities for careers in general management and may have underplayed their real requirement for engineering professionals, roles in which most graduate entrants were likely to remain. It was considering a clearer segmentation of its entrants, with some selected for leadership potential and perhaps entering a rather different scheme.

3.5.5 Internships or traineeships as an alternative to schemes

As employers talked through their varied models of graduate schemes, direct job entry and taking graduates into non-graduate jobs, they often also described their intakes of students on placements and internships. What became very clear is that for many employers in this study, internships were another way of delivering many of the same outcomes as a graduate scheme. The similarities lay in giving work experience to ease the transition into work and internships were increasingly filled by recruitment campaigns with careful selection processes. The differences lay in reduced commitment on both sides to permanent employment (and thus reduced risk), but in practice permanent employment did often follow a period of internship/placement. Small and medium sized organisations were sometimes using internships instead of the higher risks of offering permanent traineeships. Some large organisations were running internships and graduate schemes in parallel or using internships at times when otherwise their graduate recruitment activity would cease through lack of vacancies. One large local authority was in this position and saw internships as a way of providing 'local jobs for local people' and to keep graduates in their geographical area.

In some professional training structures, work placements are required in order to complete a degree or to gain professional qualifications after a degree. Again employers in such fields were using placements as quasi-internships to help students, but also to provide an entry route into their own organisations. This issue of how placements and internships contribute to graduate recruitment is an extremely important part of the changing UK graduate employment landscape and is examined in more depth in Chapter 7.

3.5.6 Recruitment campaigns or ad hoc recruitment

Graduate schemes were often associated with what, particularly larger, employers tended to call 'recruitment campaigns' ie where one cycle of recruitment activity was aiming to attract and select a group of recruits meeting similar criteria. However medium sized and smaller companies could also run campaigns, sometimes just for a handful of jobs at the same time. Some of the differences between schemes and direct entry to jobs were really about whether campaigns were organised or each job filled through a separate process in a more ad hoc way.

' [Pro-active or ad hoc recruitment] …is what we are just grappling with at the moment, because it's always been quite reactive. …. and then what tends to happen is… you have one vacancy in one department, another vacancy in another department, and then all of a sudden it's, "oh well, actually, Joe Blogs is going to retire" – if we wait a couple of weeks then we'll pool our resources together and we'll go out with a campaign and…go after four or five.' [Large employer]

3.6   Demand for graduates and workforce planning

The idea of 'strategic' graduate recruitment may conflate several different aspects including: planning recruitment campaigns ahead of time; the degree of thought given to both the numbers and types of people recruited; and the formality of the recruitment and selection processes.

About half the employers interviewed who answered a question about how often they recruited said they recruited annually but this rose to nearly three quarters of the largest employers. By contrast nearly three quarters of the smallest organisations recruited on an 'ad hoc' basis (ie when they needed to) or a rolling pattern throughout the year.

3.6.1   Planning in smaller firms

Stakeholders felt that most small companies were reactive in their recruitment and often disadvantaged by going into the graduate market without much prior planning and at times of the year when larger employers may have already hired many of the 'best' graduates.

However quite a lot of the small firms in this study felt they were being strategic about their recruitment. Smaller organisations tended only to recruit when they knew they had upcoming vacancies, but some of those taking very small numbers still planned numbers and skill requirements carefully and used quite sophisticated recruitment and selection processes.

Companies that were growing were more pro-active in their planning as they had more choice in the timing of when to add additional posts than when they were reacting to someone leaving an existing job. Growth was also encouraging such organisations to be more systematic in their planning.

'Normally it was somebody that we knew, or somebody that came by recommendation or, in some instances, somebody that walked in through the door. That's how we did it, so it wasn't particularly formal. But as the business is growing and we're looking for different skillsets, we're going to start planning a bit more.' [Small employer]

'Being a small company, there's an element of having to be reactive, so someone leaves, someone moves on, and then there's a vacancy and we have to fill it. We have been, or we will be – I'm fairly sure – increasing headcount because of some of the collaborations that we're getting into. With those, we can plan further ahead, but it's not like a big company where you've got a quota that you take every year. It's much more pragmatic than that.' [Small employer]

3.6.2 Planning and cycles of activity in larger organisations

Planning and timing of recruitment activity in larger organisations were often driven by the way entry schemes or campaigns operated. Most of those with graduate schemes planned their entry on an annual cycle, assuming they would go to the market in autumn one year ahead of when recruits would join. However the budgets for recruitment activity were agreed earlier than that, so the planning cycle ran well over a year before scheme entrants would join.

Those organisations with functional entry schemes normally asked the relevant parts of the organisation to estimate their needs.

'We don't say we will always bring two into sales and marketing, or five into finance and IT. We, every year, we go out to the functions, and we ask them to review their head counts, in conjunction with their on-going resource planning. And we detail the different training options that are available to them, and ask them to identify where there is a requirement. So we're quite specific in asking them to think about longer term skills planning, thinking about retirement and age, to enable within their areas. Thinking about project plans that will be coming up, where extra kind of key skills need to be developed. And from that, then maybe turn in what trainees that they would like to bring in. So the list changes every year.' [Extra-large employer]

Some organisations with an annual cycle of recruitment and selection were adjusting numbers as the year went on and/or bringing in intakes from that activity at different times in the year.

'We have a number of intakes throughout the year, and that's really because of the way our business works, that people, to start work, they have to have a client to work for. So if all of our graduates started on the same day that would be a complete nightmare for our scheduling team because they would have to try and find roles for them all along and that sort of demand is obviously a lot more staggered than that. So we have about five intakes a year….Obviously there is some flexibility there, so if, for example, demand increases and they say actually we want more graduates, then we would increase those intake sizes. Equally, if say that actually demand isn't as high, then we can move people around. But we tend to set our intakes a good year in advance really.' [Large employer]

Even larger organisations were often planning by asking parts of the business for the number of entrants they felt they could accommodate the following year. That is rather at odds with the longer term requirements for technical and leadership pipelines which often drove their graduate schemes.

'We know we have that headline number funded. What we don't necessarily do well enough is to think about where those people need to be in five to ten years' time and what that means for our current graduates. We're doing that better, but not as well as I think we should do.' [Extra-large employer]

A few large organisations showed evidence of longer term workforce planning, looking both backwards and forwards at numbers of entrants against changing levels of demand for different parts of the workforce several years ahead, taking into account retirement, natural wastage and so forth.

3.6.3 Planning for fixed term trainees, placements and interns

Just as employers saw placements and interns as part of their demand mix, so they planned for these activities alongside planning for permanent recruits. This also involved making some assumptions about the numbers of entrants likely to come from these groups and so reducing the numbers sought through conventional recruitment. As student placements were often earlier in the degree, it was not clear that employers really had the workforce planning in place to decide these placements in a very sophisticated way.

In some sectors or occupations, placements during or after a degree are an essential part of the career structure. In such cases, organisations needed to plan carefully and further ahead, as these may be the only entry routes through which they can secure their future entry level professionals.

Graduate trainees in a particular profession are only employed for one year before having to find their next career role somewhere in the sector. One organisation in this sector had recently reduced its number of training posts so as to make it more likely that those recruited would be able to be retained at the next career level in the same organisation. This change was mostly driven by the difficulties for trainees in this profession – very intense competition for posts plus the high costs of higher education and a further year or two of professional training after that, which made the early career very difficult for individuals, especially those from less advantaged backgrounds. The organisation was also offering its traineeships one year earlier to help individuals undertake their professional courses in the knowledge that they had a training post at the end of that year. Trainees could also draw down some funding from their trainee salaries to help bridge the financial strain of that previous year.

3.6.4 The impact of supply on demand

The demand for graduate entrants is not fixed. Experience of graduate supply could increase, decrease or change the nature of demand.

- Internships quite often created demand. Organisations that would not have committed to offering permanent employment to a graduate at the end of their degree often found room to keep them on after experiencing them as interns. The same could apply if employers met good students as vacation or casual workers. Such contact could also change employers' minds about the potential value of graduates with higher degrees.

    'I guess, because it's a small enough company, here at head office, that we can tailor roles. Sometimes we recruit people because we have a specific job to fill, but other times, we'll be introduced to somebody who is studying, who we think has got potential, then we'll create a role for them and allow them to develop.' [Medium-sized employer]

One third sector organisation said it did not recruit graduates at all. However it did take small numbers of graduates on internships each year. If these individuals proved useful to the team in which they were placed, they were quite often offered junior professional jobs at the end of their internships. Here we see a person-led rather than a post-led demand. A public sector employer had a similar pattern of taking on interns if they fitted in well and if the departments in which they were working felt needed and could afford a recruit.

- Several organisations had revised their number of graduate recruits downwards in the light of the quality of applicants experienced. Two extremely high profile recruiters taking very large numbers and not confined to specific subject backgrounds had not filled all their places for 2014 in spite of vast numbers of applicants. This experience raised some issues about selection methods but also genuine concerns about quality right at the top end of the graduate output. Smaller organisations also sometimes revised demand downwards in the light of applications received.

'In all honesty, that's quite flexible up until the point of recruitment, it depends on actually the level, as I said, the quality that we actually get through…on interviews. It's extremely variable to take up to fifteen, you know, if we had fifteen strong candidates. We unfortunately only had twelve, so we are quite flexible on a year to year basis with that, up until the point of offering. … we don't fill a place just to hit the numbers, we only fill them with quality candidates that the business deserves.' [Extra-large employer]

3.6.5 Demand for diversity

Considerations of diversity did not seem to affect graduate recruitment numbers or the skills required, but often affected the kinds of graduates sought and the entry mechanisms for expressing demand. For example, there was common desire to see more women entering science and engineering and to have a workforce reflecting the ethnic diversity of the locality or customer base. These factors could influence which universities employers were most interested in (see Chapter 5), how they designed and evaluated their selection processes (see Chapter 6) as well as the relationships between graduate recruitment and their wider strategy on diversity, which is examined in some depth in Chapter 8.

Some large employers in all sectors had become increasingly mindful of the potential business impact of how they expressed their demand on the diversity of their future workforces. Those with the strongest interest in diversity tended not to express their demand in terms of requirements for work experience. Sometimes they also excluded UCAS points and class of degree as expressions of what they were looking for, adhering instead to the skills they themselves tested for.

3.7 Employer demand for specific subjects and types of degree

The demand factors examined above determine the criteria that employers are going to use in their recruitment and selection activities. This section looks at those criteria in terms of educational background, especially subject, level and class of degree.

3.7.1 Subject of study

Reflecting the findings from the literature, the stakeholders interviewed emphasised the high proportion of jobs in the UK open to graduates from any discipline background, sometimes contrasting this with higher interest in subject studied in other countries.

Yet over three-quarters of the employers interviewed in this study looked for specific subject or technical knowledge for at least some of their graduate intakes (corresponding with findings from vacancy information from a graduate recruitment specialist noted above). The smaller organisations had very varied mixes, largely because of sectoral differences, but still about two thirds of these recruited at least some of their graduates for their technical skills or subject knowledge. The largest employers were the most likely to have both general and subject-specific entry routes, reflecting the range of functional career paths discussed above.

The requirement to have studied specific subjects was strongest in science and engineering (reflecting the literature and analysis reported above). Many entry schemes, especially those aimed at general management and leadership potential had no subject preference.

Employers recruiting across a range of functions typically looked for specific subjects in some entry streams or schemes but not others.

'It varies, because we recruit for ten functions, from finance to engineering to HR, sales, marketing…. So for the engineering graduates, then they look for a graduate to have obviously studied engineering…whereas for sales, HR, marketing, we'll take people with any degree discipline. So it's more about their long term focus and maybe some of the transferable skills that they've got. So we don't actually specify a certain degree.' [Extra-large employer]

'With regards to subjects studied, for vocational programmes (ie engineering), applicants must have studied a particular subject. For more generic programmes (ie marketing, customer service), the company are flexible in terms of subjects studied.' [Extra-large employer]

Within science, some employers were looking for a broad background in the discipline (eg one major engineering manufacturer simply looking for a variety of engineers) while others were very much more specific about sub-discipline. Some of these examples linked to looking to recruit at postgraduate level as described below.

There were other examples of more specialised work outside science and engineering where very specific courses were relevant, often at Masters level – foreign language translators were one example, some health-related professions also.

Some of the most interesting examples were of types of work where relevant subjects of study had not been sought in the past but might be in future. Examples included a range of business-related functions such as marketing and financial work.

'We've got to go more specific on subjects now… Accountancy, Economics, Business Studies, something like that. That's what we feel we've got to do these days, whereas years ago, the discipline really didn't matter because people would be able to grasp the subject… these days we're finding that people who haven't done the Economics/Business type things just struggle so much with the chartered accountancy examinations…..whether it's the calibre of students or it's changing our exams. I suspect it's something of both.' [Large employer]

Some technical skills, for example an ability for mathematical modelling and the use of high level computer skills could be found in a range of degree subjects, including geography and life sciences and not just maths, physical science and computer science.

Law was interesting from a subject perspective. Several legal organisations in this study chose to fill only some of their vacancies with law graduates, often finding high quality skills in those studying a range of other subjects.

3.7.2 Demand for undergraduate vs postgraduate degrees

Most of the employers interviewed – over four fifths - were primarily targeting first degree graduates when expressing demand and seeking applicants. The remainder were seeking both first and higher degrees (for different types of work) and a small number pitched exclusively at higher degrees. Small firms were just as likely to look for higher degrees as large ones when their sector and types of work related more to higher degree knowledge and skills. There were several situations in which higher degrees were demanded or sought:

- Science-based companies, especially those with research and development (R&D) activities or in specialised markets recruited the majority of their technical workforces with PhDs, often in extremely particular areas even within a subject.

One very small firm recruited globally for PhD biochemists with experience of the precise molecules of interest. As its business changed, so the specialisms of PhD recruits also shifted. First degree graduates were recruited to fill lab technician roles but their opportunities were limited in this firm – and indeed in biotech generally.

- A number of the engineering employers interviewed recruited at Masters not first degree level, primarily because they wanted their recruits to gain chartered status, for which a Masters degree was required. Chartered status was sometimes linked to the expectations of clients, especially in engineering consulting.

- Masters degrees were sometimes of interest in other professions too. Given the high profile of the MBA (Master in Business Administration) in academia it was interestingly absent from the interviews, although some did refer to Masters in business subjects which could have included MBAs. Masters degrees in subjects like human resources (HR) and marketing were of some interest, either prior to recruitment or as part of the training on graduate schemes.

Some examples were given of where the general qualities of a higher degree graduate really added value.

A very small firm were not looking for a Masters graduate but recruited one, but then saw it as good fortune. 'What it meant is he hit the ground running, and also he's been much quicker in doing things like, for instance, drawing up all our processes for ISO accreditation.' [Small employer]

Other organisations expressed the view that PhD graduates were 'too academic.'

Again this study is perhaps interesting for the comments that were missing. Many employers simply treated higher degree graduates like first degree graduates if they happened to apply for jobs; this is consistent with recent research on employer engagement with postgraduate study (UUK, 2014). They were simply part of the general recruitment mix. Employers did not often remark on generic and personal skills being improved by further study, perhaps because they may be unaware of which of their recruits actually had higher degrees. This rather reinforces the view that higher education still has much more to do in helping employers understand the skills acquired through postgraduate study.

3.7.3 Demand for specific class of degree

In later sections this report examines how and when class of degree, as well as level and subject, were used in recruitment and selection processes (Chapters 4 and 6). Here it is worth noting that whether to look only for graduates with a 2:1 was a tricky issue for employers. They were not sure whether class of degree was a reliable indicator of quality across different institutions. They also had a range of views about whether students with better results performed better in selection and later job performance. These examples show the difficulty employers were having with this issue:

'A few years ago we used to take 2:2s, when we had large numbers of graduates, but when we did some analysis, it was clear that those who had a 2:1 or above performed probably better than those that had a 2:2… it felt sensible to move to that 2:1 cut-off to ensure that we were focussed on the best people. We also had some feedback on our programmes, that some people felt it was undesirable because we were willing to accept people with 2:2 degrees, so actually people weren't applying, the fact that we were more lenient. Since then, we've questioned whether or not we need to change, but again, because we have a very small number of people who we recruit every year, we're in a position that we set some quite stringent benchmarks, we need to attract the right people. So we haven't really seen the need to change from that perspective. We accept that we are losing out on some great talent through the graduate programme, but you know, we encourage people to apply directly, outside of the Graduate Programme. We think there's an opportunity for that talent to join us as well.' [Extra-large employer]

'We have a minimum qualification to apply, which is a 2:2 degree, in any subject, so it's as broad as possible, and I think we're unusual in that we accept 2:2, now. We've always kept it, because from our research, it made no difference to the quality of the applicant. If they could pass the application tests and selection process, that was a more accurate predictor of ability than their degree, unless – and this is, I think, the

same, everywhere – if you've got an Oxbridge candidate or someone who's from a top university, with a top degree, they tend to… out-perform the other graduates, and you would expect that, because we use cognitive tests. ….We've looked back at levels of degrees, because we did raise it, once, to 2:1, and we found there was absolutely no difference in performance. So we put it back to 2:2.' [Extra-large employer]

'If we'd had this conversation last year, I would have probably been saying what everybody else says, that we've had a 2:1 requirement… [plus UCAS points etc.] ….It's just these last six to 12 months we've reviewed that, and now we have a very flexible approach to entry requirements, so we're much less rigid than our competitors, and now you can apply to us with any level of academics for our graduate programme, but you have to be studying at a university, essentially.' [Extra-large employer]

'In general we've just found that the people who interview best and do best in the technical tests are also the people who've got the best academic results….. we have had exceptions but in the main the academic qualification matters – or it doesn't matter in itself but it's a good indicator of how intelligent they are.' [Small employer]

The last comment was from a fairly small business and those above from much larger organisations which were testing intellectual abilities in different ways.

3.8 Demand for skills, competencies and personal qualities

Employers may have thought about their needs but still have to translate those needs into a language graduates and universities can understand when seeking applicants. The stakeholders participating in this study, especially those working with or representing small firms, felt that some employers do not articulate their skill needs very clearly or appropriately. This is an area on which the intermediary organisations interviewed spend quite a lot of effort.

3.8.1 Technical skills

Even when recruiting for technical jobs and career paths, the employers in this study were strongly of the view that generic behaviours and values were important too. Some were concerned that technical graduates felt they did not need to be good at working with people, for example, because they knew about a specific area or profession.

'Now, it doesn't mean they've got them [more generic leadership competencies] in spades, but they should show some, otherwise you end up with what they used to refer to as the pointy-headed people – the ones you could quite happily lock in a cupboard with a file.' [Extra-large employer]

'I think … a lot of companies particularly on the technology side…are tending to find that the technology skills the graduates have been taught are either out of date or not relevant to that company. So they're going to have to train them up in the skills anyway. So what they're looking for is … that analytical mindset and then they'll… train them in the technical skills. Outside of that I think more and more it's the behaviours and aptitudes that they're looking for and that demonstration of showing initiative, taking a lead that employers are increasingly focusing their efforts on through their recruitment and selection process.' [Small employer]

As described above, technical skills and knowledge were sought for some graduate entry jobs and career paths, but not always. It was of interest to some large employers that the UK seemed to put a much lower value on specific knowledge and a much higher value on generic and personal skills than some other European nations. Two big companies made almost exactly the same point about the use of vocational Masters degrees in France.

'[In France] most people will do a Master's degree in a very specific thing, and that's what they do as a job…. whereas in the UK, we get someone who maybe has done a bit of this, not specifically 'buying studies', but you're really looking for the potential in that person, but in France you're looking more for the actual experience and it's easier to recruit. It's funny because having, for the first time I've done the recruitment in the two countries this year, and we have less candidates in France, but it was so much easier to find the right one.' [Extra-large employer]

'It makes for interesting conversations with some of my colleagues overseas…. in France they have a very different view of the graduate talent. They recruit specifically from kind of economics Masters degree programmes for their leadership functions, then they can teach the behaviour if you've got the knowledge. Our view here in the UK is kind of the opposing one, if we have the behaviour we can teach the experience.' [Extra-large employer]

3.8.2 Generic and leadership abilities

As expected from the drivers for graduate recruitment and the jobs and career paths in mind, employers were looking for graduates with strong generic abilities, often called 'competencies' and looked for thorough evidence of cognitive ability and a range of interpersonal and personal behaviours. There was a high degree of overlap between these generic competencies and the behaviours seen as indicators of leadership potential.

The generic skills and behaviours most commonly mentioned by employers included:

- Intellectual ability, especially analytical and problem solving skills.

- Ability to work with others, sometimes called being a 'team player'

    'So we're looking at their personality traits, do you feel that they are hard workers, do they mingle in the group, do they put their point forward, etc. And it's quite interesting we had a couple of grads, very, very similar and we would have taken both of them on this time but one of them just wouldn't integrate with the group. And bearing in mind the fact that a lot of our work is obviously managing people, managing projects, a lot of managing clients his personality wouldn't have been a match for us.' [Extra-large employer]

- Communication skills were given very high priority, both writing and speaking, especially in ways which would influence others. In some jobs ability to communicate with clients was especially important, for example in consulting, sales and dealing with unwell or disadvantaged members of the public.

'The competencies are the same, whether we're recruiting for the programme or for the specific roles. So, that's communication skills, adapting and responding to change, problem solving, delivering results and working with others. And those are the competencies that we use in our general recruitment as well.' [Large employer]

Some employers emphasised that they were looking for leadership potential, not fully formed leadership behaviours. This relates to the discussion in Chapter 6 of strengths based versus competency based approaches to selection.

The stakeholders interviewed also emphasised the importance of generic skills, especially business skills/commercial awareness, team working and leadership.

3.8.3 Attitudes, values and personal qualities

Perhaps more surprising was the very strong emphasis on attitudes and values, sometimes referred to as 'personality'. These comments were more about the person themselves than particular skills or competencies. Examples of what employers were looking for and why included:

- The individual's fit to the values of the organisation.

- 'Passion', 'hunger' or enthusiasm for work, usually including a willingness to work hard and often a degree of ambition. Stakeholders saw employers especially interested in these attributes, often hoping to find graduates with a strong interest in their particular organisation, as shown by already knowing quite a bit about it.

- A genuine passion for a particular type of work, for example one small IT company found that their best graduates had been computing long before university and would work on them for fun, not just to get a degree or get a job.

- Enthusiasm for learning new things, adaptability, flexibility and what was often called 'resilience'.

- Interest in, and some understanding of, the commercial context in which organisations operate, in all sectors not just the private sector. This was an especially key issue for small business and those employing technical graduates.

Organisations often mentioned more than one of these reasons for attending to attitudes and personal qualities as some examples show.

'I think what we're talking about is traits and behaviours. What we're looking for is a hunger to learn, and a hunger to do the right thing, as opposed to spend their day, 8:30 till 6:30, doing some stuff. So we want the people that really want to make a difference, and the reason we say they constantly want to learn is because if you think about the breadth of what we do, the breadth of our service offerings, you've got to want to constantly say, I've mastered that thing. Now I want to learn that.' [Small employer]

'When you're in front of me in an interview, it really is about your mindset, and what can you do and what are you going to do and what are you prepared to do?' [Small employer]

'Our company values that we've done loads of work on are…. integrity, dynamic, enjoy, autonomy and the other one just fits on the end; it's living the values. … it's really about thinking about "what does it mean to work here?...why do you want to work here…rather than chase a bigger job in London, perhaps, or work for corporate somewhere else…. And that if you don't believe in our values…you're not prepared to live them then you probably aren't a good fit for who we are.' [Small employer]

'You want the mix. …. being technically cutting-edge and very good, but also able to fit within a commercial environment, and that's sometimes a difficulty… If you don't want the boffins who would flourish at a University but struggle working to the deadlines we have to, and the fact that we're a business, and so on and so forth. So, there's a particular type of individual that has both qualities.' [Small employer]

'It's very important to us that the students can evidence a real grasp of what we do here….So, an understanding of that in the commercial context together with the enthusiasm we're definitely working for. And then, on top of that, obviously all the other competencies that we'd like to see - communication skills, good attention to detail, problem-solving, motivation, all the sorts of things that would make someone a good trainee here.' [Large employer]

These personal and attitudinal factors were emphasised by many of the employers in this study but perhaps by the small firms most of all. This does reflect the emphasis on 'fit' and work-readiness present in the published literature on small firms. They have perhaps the strongest reasons to ensure that someone will be keen and hard-working and fit in with other team members. This issue relates back to some of the concerns expressed in earlier sections that graduates may not always compare favourably with other young people in terms of work and commercial attitudes.

3.8.4 Career management and employability

Several of the generic and personal behaviours described above relate closely to the 'employability' agenda, although 'employability' is a term used by higher education institutions and not generally by employers. Employers were looking for graduates who could relate their strengths to their own organisation and the opportunities they were offering and project their skills and personal qualities through the recruitment and selection process.

The discussions with university career services likewise emphasised that a good degree is not enough if a graduate cannot articulate their skills in ways which connect with employers' needs.

3.8.5 Articulating demand via careers advisory services

The perspectives of university careers advisory and employability services (CES) in managing employer demand 'on the ground' can be critical; in particular their view of small firms' demand for graduate recruits. The Careers Advisors interviewed for this study felt

that the media and students' focus on large, well-known employers was unhelpful because most graduate opportunities are to be found in small and medium-sized organisations. Yet some graduates will not explore these opportunities until their applications to graduate training schemes are rejected. Careers Advisers recalled hearing graduates say they 'ended up' in a small firm rather than choosing to apply to one from the beginning. Ideally, Careers Advisers would like to see more graduates taking advantage of the demand for graduates by small and medium-sized organisations, and the close regional ties they often have to the institution.

Careers Advisers felt that small and medium-sized organisations were also not always clear about the kind of graduate who might best serve their needs:

> One example given by Careers Advisers was of a small engineering company who wanted to recruit a project manager and decided that, as an engineering firm, they needed to recruit an engineering graduate. None of the candidates they appointed worked out, so they discussed the kind of person they required and decided they needed somebody who was capable of managing and organising lots of different tasks, but didn't necessarily need to have any experience of engineering. The business eventually appointed a psychology graduate who had gained some experience of project management working for a market research company, and she exceeded their demands. This illustrates how university careers advisory and employability services can play an instrumental role in helping businesses to clarify their requirements and benefit from others' experiences.

The corollary of this is that university careers advisory and employability services felt they could do more to help graduates identify and articulate their skills in relation to employer demand. They reported how many academic programmes provide students with lots of opportunities to develop skills that would be of interest to employers as part of their academic learning (eg presenting and communicating complex information), but students are not always aware that they might have the attributes employers are looking for because academic staff do not make these added-benefits explicit. Initiatives such as 'Assisted Recruitment' are part of a plethora of proactive strategies used by university careers advisory and employability services to translate employer demand into tangible benefits for employers and students.

3.9 Demand for work experience

Last, but by no means least, in this analysis of what employers were looking for is work experience. The questions about work experience elicited a complex range of responses.

Employers did not agree about the relative importance of work experience in their recruitment process. Some saw it as absolutely vital that a graduate had work experience, even experience in that organisation or a very similar one. Over half the employers interviewed saw work experience as desirable but considerably less regarded it as essential. Whereas one in three answering this question said that work experience was not important in the recruitment process. This was an area where some larger employers were mindful of the potential negative impact on diversity if work experience was a formal criterion for recruitment; most smaller employers thought work experience was at least desirable.

There were some particular situations in which employers really did not expect work experience outside study, for example if they were looking for graduates coming straight from a very intensive professional course or a research-based higher degree. A few employers took the interesting view that they preferred graduates who had not worked for anyone else (see also section 3.3.4), as they saw work experience as creating negative attitudes and behaviours they did not want.

Rather like class of degree, work experience may be less important for itself and specific learning gained, than for what it may reveal about the graduate's attitudes and personality. Views about the desirability of work experience, as opposed to its formal use as part of the recruitment/selection process, were linked with a range of assumptions about what it might really be indicating. These included:

- A signal of motivation to work and develop

  'I think it says a lot about the individual if they have gone out there and got summer placements, for example, because it's showing to us that they've not just gone: "Right, I'm going to go away on holiday for the next three months. I'm going to sit and chill out for the next three months." It's the one that's got up and recognised that they need to go out there and start getting some experience. It shows a lot of drive about that individual. Motivation for wanting to go out there and get that experience. .... even if sometimes it's not a relevant job, the fact that they've gone out there and done that actually tells a lot about that person.' [Large employer]

- A signal of interest in that particular sector or type of work, especially in more commercial fields such as retail and hospitality, where customer skills were not usually developed in higher education. Related work experience was also a key differentiator in professions with extremely high competition for a limited number of jobs. Here it was a signal of interest but also that graduates would know more about their interest and aptitude for that type of work.

- The acquisition of transferable skills

  'I think certainly the stronger candidates that come through have had work experience of some sort. We do notice that that sets them apart from those that have gone down the purely academic route, because they're more likely to have transferable skills that we're looking for that make them successful in our organisation. So, yes, I do think it's an important factor.' [Extra-large employer]

- Personal maturity

  Quite a few employers talked about those with work experience being more 'mature'. This usually seemed to be a mix of positive work attitudes and generic skills.

  'It really is the best way to get to [company name], for sure. I've interviewed and have seen so many students over the years, those who've done an internship as part of a four-year degree and those who haven't, and … the difference is so obvious and you can really tell those who are ready for a job and those who are not. That one year experience makes a whole difference for their employability skills, really… it's just a different maturity level, just for doing a one-year placement.' [Large employer]

- Improved performance in recruitment and selection process and/or later job performance, observed also by some employers not asking for work experience

  'People don't need previous work experience, there is no rating whatsoever in terms of experience that people have. What I will say is those that have work experience, and relevant work experience, are able to demonstrate their capability a lot better at the majority of times in the recruitment process, so we're finding that the candidates that we ultimately make an offer to, predominantly do have good internships or work experience behind them. So I don't think that's a coincidence, but there's no prerequisite from our point of view.' [Extra-large employer]

  'We don't request [work experience] actually and it's not important to passing those tests, although you'll probably stand a better chance. I have noticed that there is a difference on the programme - … we find that people with prior work experience do do better. They are higher performing much more quickly, but then you'd expect that.' [Extra-large employer]

  Quite a few employers emphasised that many kinds of experience outside study could be helpful, including volunteering and extra-curricular activities at university.

  'The standout ones from me are those students that don't necessarily have part time jobs, but get involved in volunteering activities so that seems to be, and we're seeing some very good ones. There're some that you just go, "wow".' [Extra-large employer]

So nearly all the employers in this study felt work experience made for better graduate entrants. However, as the report shows later, not all used it as a criterion in the recruitment and selection processes, partly on diversity grounds (see Chapters 6, 7 and 8).

3.9.1 Nationality, locality, mobility

One final aspect of demand worth noting was the issue of nationality and work visas. Many employers in the sample did not look for entrants who were not going to be able to obtain a work permit. Some who really required specialist expertise from across the world went through quite elaborate processes to show that they could not fill their positions from UK nationals. Some large organisations encourage their overseas operations to recruit from overseas students in the UK, sometimes returning to their own countries of origin.

Location within the UK was quite often an attraction/retention issue, with employers preferring graduates who were either studying locally or had family links with the area as they were felt to have a lower risk of leaving during or soon after the recruitment process. Yet other companies were looking for highly mobile graduates, especially where schemes moved them between locations in their first few years.

3.10 Plans for change

Some of the employers interviewed were hoping to increase their recruitment levels again after a considerable period of retrenchment and by Spring 2014 most were more optimistic about levels of recruitment. The exception here was the public sector employers where some had withdrawn indefinitely from proactive graduate recruitment. Looking forward, the

positive employers described where they were anticipating making changes to their requirements:

- Paying more attention to retention (and planning for drop-out). With signs of economic growth and an improving labour market, employers were concerned that competition among them would increase. They were concerned not only about drop-out once graduate candidates were recruited but also retention during the recruitment process.

- Paying more attention to alternative entry routes. School leavers and apprentices now have a higher profile and were seen by employers as a potential method to source high quality employees. Employers wanted to monitor the performance of this alternative stream before investing more heavily in the future. Similarly graduate internships and placements offer alternative less risky entry routes

- Increasing the diversity of the graduate offer. Graduate schemes or campaigns remained popular with large employers as they were easier to plan for but schemes were becoming more varied than the traditional model of planned sequences of jobs and formal training. Employers were also considering offering a wider range of pathways through the organisation (segmenting streams on entry) and taking care to manage expectations.

- Paying more attention to the timing of recruitment activity to get ahead of the competition. Some (large) employers felt that expressing demand early in the period of study and early in the calendar year may give them good access to what they perceive as 'the best' graduates, although one cannot assume that all high performing students want to commit to career choices so early. This could disadvantage small firms who, although sometimes very strategic in their thinking about graduate recruitment, often had to go to the market at a time when there was a clear vacancy.

- Asking for more. Despite concerns about increasing competition amongst employers for graduates, there were signs that employers were demanding more and more from potential recruits: study programmes that are more closely aligned to business requirements or professional career structures, strong generic skills and behaviours including communicating and influencing skills, positive attitudes to work, business and customers, and personal resilience:

  '… one of the committee members put his hand up and he said to the employers, "so getting a 2:1 is not enough, getting 300 UCAS points is not enough, getting really good work experience is not enough, what have we got to do to get a job?" And…the answer from one of the employers was really telling and she said, "you're absolutely right, I understand your frustration 100%, you do all those things and it's still not enough." And she said "increasingly what we are looking at is you, and what is it ….about you that makes you right for our business".' [Small employer]

- In addition, there were signs of increasing interest in formal graduate recruitment among small firms:

'We've realised that as the business is evolving, we need to get bright young things that bring in new thinking, and are willing to learn how a SME works, yes, because we're still very hands on'. [Small employer]

3.11 Key points: demand for graduates

- Employers in this study saw strong reasons to remain interested in graduate recruits, especially in terms of intellectual ability and ability to learn.

- Graduates were increasingly seen by employers as in competition with good quality school leavers and apprentices. Continued strong demand for graduates will rest on whether they are actually seen as high quality in intellectual terms, but even more importantly whether they have the communication and people skills and positive work and commercial attitudes, which were the 'must have' behaviours for employers.

- Many employers were using a 'mix and match' resourcing policy for bringing new entrants into the business. Interns and placements were part of that mix as well as graduates and non-graduates and experienced hires. Interns and individuals on placement may also be a means for small firms to experience what a graduate can offer without incurring high business risks. All this increases the competition for new graduates, fits with the literature about a blurring of boundaries between graduate and non-graduate jobs, and suggests that there is no longer a distinct graduate labour market.

- Graduate entry 'schemes' remained a popular device for large employers, but other organisations offered much the same through a combination of suitable early jobs and considerable training support. Some employers had several 'schemes' and found communicating these to potential applicants a challenge.

- It may be much more difficult for students to see the opportunities outside 'schemes' and in smaller organisations. The interface between demand and recruitment is indeed a critical one.

- Small firms still tended to recruit when they could see clear vacancies coming up but could be very sophisticated in their thinking about their requirements and the labour market. Many large firms planned on a one to two year time frame but mostly from a 'bottom up' perspective (short term requests from functions or units) rather than a longer term 'top down' view of their technical and leadership pipelines.

- Specific subjects of study were required for many technical jobs and some business functions and professions, often influenced by how professional bodies organised further training and professional accreditation.

- Outside of research-related occupations and sectors, and some professions, employers did not seem to differentiate their interest in graduates from higher degrees.

- Work experience was of high interest to employers for a range of reasons, including signalling interest and positive attitudes as well as skill acquisition. Not all employers expressed a demand for work experience, partly on diversity grounds, but nearly all believed it helps graduates perform better in selection and at work.

- As employers looked forwards, many hoped their demand would rise as the economy improves. They did not expect their skill requirements to change much, except where specific business changes may re-balance functions or technical skills. However many did expect to be looking at their recruitment mix of new graduates in relation to young people who have not chosen to go through higher education.

4 Recruitment - reaching out to graduates and students

4.1 Introduction

This chapter looks at the methods, channels and mechanisms that employers use to reach out to graduates and students to pass on messages about their organisation, the opportunities it offers and how to access these opportunities. It is essentially concerned with how employers position and promote themselves in the market place – this is often referred to as recruitment (although this can also be used to describe the entirety of the process from reaching out to students and graduates to hiring them as trainees or employees). The chapter begins by looking at the timing of this activity, before exploring how the approach to recruitment is influenced by the level of supply (and whether this overwhelms or falls short of demand), and then the key methods used by employers. It then examines who is involved in recruitment, specifically exploring the role of recent graduate recruits in the process, and looks at key issues that employers are dealing with: the importance of branding; the role of social media in recruitment; and engaging with younger students to stimulate the talent pipeline. The chapter ends with changes in the approach to recruitment and a summary of key issues for recruitment.

4.2 Setting the scene

The existing research literature highlights how employers' practices of graduate recruitment and selection have evolved over time to respond and adapt to changes both in the supply of, and the demand for, graduate labour. On the supply-side the rapid expansion and broadening of higher education provision and the student body has led to the expansion of the available pool of graduates that employers can select from. This requires more effective recruitment and selection methods capable of screening to retain the candidates with the right attributes and set of skills from an increasingly large and diversified pool. On the demand-side the difficult economic climate has reduced demand for new graduates among many employers (McCracken et al, 2011) which has led to increased competition among employers to secure notions of the 'best' talent but in the most cost-effective way (CIPD, 2013b). At the same time, employers have also changed their requirements for graduate attributes and skills (see Chapter 3).

Much of the research literature is centred on employer-based studies and finds that recruitment practices (as well as selection practices, which are covered in more detail in Chapter 6) vary heavily according to: a) the size of the organisation and size of their graduate recruitment effort (which may or may not be related), b) history of recruitment, whether they are established graduate employers or new graduate employers, and c) the type of role graduates are being recruited for.

The research also points to a number of recruitment trends:

- The increasing use of targeting particular universities as part of employers' recruitment and marketing efforts (this is covered in detail in the next chapter, Chapter 5).

- Greater use and reliance on the internet to advertise vacancies and manage applications (Lievens et al, 2002; Connor et al, 2003; Barber, 2006; Sackett and Lievens, 2008; Branine, 2008). The Association of Graduate Recruiters membership survey (Winter 2013) shows that 96% of large employers used online promotions tools such as company websites, social media or online job-boards as part of their recruitment efforts (AGR, 2013a, see also CIPD, 2013b and High Fliers, 2015). The latest Association of Graduate Recruiters survey now suggests that 95% use online applications. These online recruitment methods were found to be particularly popular with small and medium-sized organisations, who find them cheaper and more accessible than print material. However among larger employers online methods were perceived to complement rather than replace face-to-face activities, as the latter were still considered to be the most effective method of engaging potential applicants (AGR, 2013a). The growth in online recruitment methods has spurred the growth of a body of research concerned with understanding the effectiveness and potential drawbacks of online based recruitment methods (see Leece, 2005; Allen et al, 2007; Parry and Thyson, 2008; Wesselinke, 2012).

- Out-sourcing of marketing and recruitment administration, at least partially, to specialised agencies (Connor et al, 2003, Branine, 2008; CIPD, 2013b). These agencies take on a range of services such as designing advertising, developing web-based promotion and application tools, and handling and pre-screening applications; but tend to be used in combination with in-house recruitment approaches. Use of recruitment agencies varied between employers (more common among large organisations) and over time. Spending on recruitment agencies was found to have fallen during the recession (CIPD, 2013b).

These trends in marketing approach are reflected in the bespoke analysis of the Association of Graduate Recruiters annual survey of member organisations (which tends to attract responses from approximately 200 employers in each wave). It is important to note however that the association tends to represent large and well established graduate recruiters and so their members are not representative of all graduate employers.

The bespoke analysis of Association of Graduate Recruiters winter surveys (see evidence annexe, Table 4.1) undertaken for this research showed:

- A clear shift from print based marketing towards an online presence over the last four years with almost all members (96%) using online promotion, albeit four in five still had a print-based presence.
- That campus-based activities remained important, particularly for those with large scale graduate recruitment and in certain sectors[1], only declining very slightly in recent years.

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[1]   Consultancy/business services, banking and financial services, IT/telecommunications, and FMCG

- The growth in online presence across the board suggesting a broadening of reach, yet, with continued importance of campus-based presence there was some degree of targeting higher education institutions. The survey indicated that again the vast majority of member companies did target universities and colleges and the proportion has been increasing year on year (to 89%, in 2013, see also Chapter 5).

- Little and falling use of individual financial incentives in recruitment as attraction mechanisms, these included educational premiums or 'golden hellos'. However one-third of member companies did offer some kind of relocation package to graduate recruits. Where educational premiums were paid they tended to be for higher level qualifications (particularly PhDs) rather than for work experience. This is not to say that employers do not want or value work experience among applicants, it is just that they do not expect to pay 'extra' for it.

Evidence from the latest Employer Perspectives Survey ('UKCEPS', 2012), which covers a wider variety of employers, showed the channels used to fill higher level roles that young people were recruited to (a proxy for new graduate jobs). This highlighted the importance of word of mouth/personal recommendation, as this was the most common successful recruitment channel (19%). This was followed by: recruitment agencies (16%, or recruitment websites 8%); organisations' own websites (10%); local newspapers (10%); Jobcentre Plus (10%) and university careers fairs or careers services (8%). Only 2% had recruited via social media (see evidence annexe, Table 4.2)[1].

The Destination of Leavers from higher education (DLHE) survey also indicates the channels used by graduates to find work. These data show how the most common method for graduates to find work (of any kind, graduate or non-graduate) was prior employment in that the graduate had previously worked for the employer either before or during their studies. There were indications, however, that many of these individuals may have been returning to their term-time employers, and thus to roles that would not necessarily require higher education level qualifications. The next most common method was networking and personal contacts (fitting in with findings from the Employer Perspectives Survey), which has steadily increased over time. Recruitment agencies were also a popular method for finding work (although their use dipped considerably in 2008/09 during the recession); as was online advertising via employer websites which has increased in popularity over time. University careers services, newspapers and magazine adverts, and speculative applications were all considerably less common methods for finding work, again all fitting with the Employer Perspectives Survey results (see evidence annexe, Figure 4.1).

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[1] The latest Employer Perspectives Survey 2014 suggests that private free channels (such as word of mouth and personal recommendation, their own website, internal notices and speculative applications) were the most frequently used when attempting to recruit young people to high level roles such as managers, professionals and associate professionals.

4.3   Planning and timing of recruitment

The rest of the chapter considers the primary research evidence from interviews with employers and stakeholders.

As noted in Chapter 3, many employers with graduate schemes planned their entry on an annual cycle, going to the market in the autumn one year ahead of when recruits would join (see section 3.6.2), although law firms reported how they would go to the market two years ahead of the planned start date.

Employers interviewed described their recruitment timetable and these were synchronised to the academic timetable. The vast majority of larger employers and larger graduate recruiters planned their recruitment campaigns between July and September, ready to launch these campaigns and conduct their marketing activities from August/September onwards (of the year preceding the anticipated start date). At the same time they would open their application process. This timetable appeared to be heavily ingrained and perceived to be what the market expected:

'The idea is that with any sort of emerging talent campaign you would start recruiting nearly a year in advance. So you would start advertising in September for a role that starts in September the following year.' [Medium-sized employer]

'We're still very much going out to the market during the autumn term when attraction is expected, with a view that we then bring people in typically the September of the following year.' [Extra-large employer]

'I've worked in graduate recruitment for well over 10 years and it used to be a really cyclical industry, whereby the majority of it was done October-time. I think it has actually shifted, and I think we will open applications every year in September, so the 1st September is usually the point at which all of our programmes open for the new candidates for the following year…. I think it is now a much more of an all-the-year-round industry, whereas before it used to be very driven by particular seasons.' [Extra-large employer]

Although they were a couple of employers who undertook their recruitment much later in the year:

'Round about February time, somewhere between February and April, before they start their exams and some of them like to go off on gap years and things like that, so we'll try and catch them before that… once they have done their reading weeks and they've finished their dissertations and then they're planning on doing their revision for the exams. It's normally the time when reality kicks in and they say 'oh, I'm finishing in a couple of months' time and I need to think about working'. So I find that's a good time to try and target them.' [Large employer]

'We do ours at a funny time…. we launched in January. We've made a conscious decision because we know that we can't necessarily compete with some of the big graduate schemes. We initially made the conscious decision not to go out in October/November, which is when a lot of graduate schemes do go out… it's the benefit

of not competing but then does it give us the risk of not engaging with them early enough.' [Large employer]

Also there were employers who had more than one intake which might require separate attraction campaigns, and others had a rolling recruitment (with no set application deadlines) requiring a constant presence in the market. However, as noted in Chapter 3, smaller employers appeared to be much more reactive in their approach to recruitment. These employers described how they were responding to changes in demand (eg increased workload) or staff turnover, and reaching out to the market as and when needed, rather than with a large-scale coordinated campaign:

'It is totally as and when, generally though the flow of our business, we will look to bring people into the business sort of October/November time, but that's just when the peak of our, almost the flow of our business, timings for when it's an ideal time for us to bring people into the business, for us to spend time to train them and induct them properly.' [Medium-sized employer]

There was a sense that some employers were attempting to move their recruitment activities, in terms of marketing and the application process (including deadlines), earlier in the calendar year in order to get ahead of the competition:

'I think we have the feeling that even smart employers are moving earlier and earlier, some with deadlines almost as students are coming back [ie September/October]. And yes, so timing is a very sensitive issue, about grabbing good people early in the year' [Extra-large employer]

This issue was also raised by the stakeholders interviewed who felt that the recruitment process was beginning earlier in the year, July rather than October, and often by the end of the autumn term of the third year it was 'too late' to apply: 'the idea behind starting the process earlier, for example in June before the final year starts is that students are through the recruitment programme, have a job offer and are out of the system before organisations start'. However, they did acknowledge that most recruitment was still geared towards start dates in September or October.

A small number of employers commenced their recruitment two years in advance (that is, recruiting in 2014 for graduates to start in 2016). This had the effect of bringing the whole process forward into the second year of study which meant that students considering such opportunities would need to begin preparations during their first year of study. This practice generated the phrase "the first year is the new final year" and indicated a marked shift away from graduate recruitment being aligned with the final year of higher education for some types of employer.

4.4   General approach to recruitment

The employers interviewed in this study tended to use a range of methods to attract individuals and then direct them towards their application processes for their graduate schemes (and in some instances to direct entry jobs). Their approach to marketing however varied depending on whether they were either: a) attempting to increase the number of applicants; or b) attempting to restrict the number of applicants.

4.4.1 Spreading the net wide

The majority of employers were spreading the net wide to ensure sufficient quantity and diversity of applicants. Indeed one (small) employer spoke about not only spreading the net wide but keeping hold of those who made contact with them, so that they could keep suitable candidates on file in case of future opportunities. Here employers were thinking about the message they were creating in terms of raising the organisation's profile, generating interest, and getting individuals to consider themselves as potential employees (selecting themselves in). There were also concerns that, as the economy recovered and competitors increased or restarted their graduate recruitment activity, competition for graduates would increase and their own applicant pool would reduce. As one stakeholder noted 'the war for talent is back on':

> 'We obviously want to recruit the very top talent and it's important for us that the message gets far and wide so that students from all sorts of different backgrounds and all sorts of different institutions can find out about the opportunities that apply to us. So, we really try and do a lot in terms of the marketing of our opportunities.' [Large employer]

> 'We get applications from well over 100 different universities and a lot of them would get a least a few through the process. Obviously certain universities do better to some extent. But it is a reasonable mix as well.' [Extra-large employer]

Many of the employers interviewed had cast a wide net and received considerably more applications than they had positions available. In many cases positions were very over-subscribed, with some employers – mostly large ones - reporting receiving thousands of applications for less than 50 roles. Indeed, one (extra-large) employer reported receiving approximately 4,600 applications with just 15 individuals appointed (a ratio of 300 to one). There were other examples of applications to available positions of 100 to one, 50 to one, and 20 to one (from different sized employers). One very large employer was pleased with a much lower ratio of six to one as this meant they managed to place a large proportion of their applicants.

4.4.2 Restricting the flow

Whilst many companies were focused on using multiple methods to reach out to as many potential recruits as possible, some employers were less concerned about volume of applicants. These companies tended to be the largest companies, to have a well-established brand and thus were highly visible in the graduate labour market (eg recognised as a good employer to work for, or as a top employer in the field). They had no shortage of applicants, and indeed were often trying to deal with more and more applicants than they could realistically process. As the last quotes reveal, although quantity was ample, quality could still be a problem. Some employers felt the quality of applications was decreasing, as graduates churned out multiple applications, taking a scatter-gun approach, copying and pasting their submissions rather than taking the time to tailor their applications.

'I think we're quite fortunate in that the brand itself does have a natural attraction with it. So attracting candidates isn't necessarily our biggest challenge. The reputation of the [company] graduate programme and the types of training programmes that we offer does still carry some weight out in the graduate industry.' [Extra-large employer]

'We are not worried about it [attracting applicants] because there are still going to be high volumes of people at universities coming out and wanting jobs with us. Our reputation in the market as an employer is a very good one. We do good training, people like us, we were constantly recruiting during the recession period so we build reputation by that.' [Extra-large employer]

'But we're kind of working on an attraction strategy, at this point, in the recognition that the numbers are increasing. We need to actively now, promote the business more widely, so that we're getting the candidates that are right for the role.' [Extra-large employer]

'If you go back five or 10 years, I would have expected about 40 or 60 applicants. We advertised for a fairly junior role, admin role, recently and got over 4,000 applicants. I cannot deal with that volume.' [Extra-large employer]

'We easily get 300 CVs for 16 places…We rarely have an issue with numbers of people applying. We sometimes have an issue with the quality because such a lot of people want to get into a big company like us. Sometimes the quality across the board isn't there.' [Extra-large employer]

Employers needed to think carefully both about the message they were projecting and about managing candidates' expectations. Employers had to make clear what type of work the business was engaged in, the type of work the graduate would be doing and what they were looking for in order to ensure the right quality of applicant selected themselves in/made an application and was committed to the application and selection process. Indeed, one large graduate recruiter noted how they worked hard during their marketing to ensure that students and graduates with the right qualities would apply to them, this amounted to pre-application activity:

'One of my team will phone you and they will talk to you. If you are very suitable for the programme, they will encourage you to meet with them, the next day, or the day after, for a coffee, and we will talk to you on a one to one basis about what [company] is all about, what's your medium and long term vision of the [company], but also the practicalities of the job that you would be doing. If you aren't suitable, we will actually have a fairly tough conversation with you, and thank you for your interest … but positively encourage you to not to apply, because we don't want to waste graduates' time, and if by talking to you on the phone we're not getting that you actually care about what [company] is trying to achieve, or you're unable to really articulate yourself in a way that is incredibly important, then we will encourage you not to apply.' [Extra-large employer]

Interestingly, the picture was not black and white, and some employers experienced both an over and under-supply of applicants, with particular problems attracting applicants to shortage occupations such as engineering, or to certain technical or operational schemes

or programmes. A few employers also talked about expanding their operations overseas and how they were grappling to encourage applications for these non-UK opportunities:

'For some areas, we generally don't get a lot of candidates at all, and we need to work on that. For others, we'll get hundreds and hundreds. But whether they are of quality is a different thing. And that can take a huge amount of time out of managers, to review those applicants, and can be really frustrating, when actually, the quality of the submission isn't that great… we regularly seem to be asking ourselves, where are those candidates that have just walked out of university? When we see so much in the news that there are all these candidates that are desperate for jobs, actually where are they?... Are we not making ourselves well enough known for people to understand that we're here?' [Extra-large employer]

4.5   Recruitment methods

Employers described the range of methods they used to attract individuals and, where possible, they tried to combine activities offering face-to-face/physical presence with online activities (fitting with findings from the existing research literature); and sometimes formal with informal approaches. A multi-method approach appears to be the norm:

'We have four real main sources. So we go directly on campus at university, to attract that way, an employee referral programme, and online as well. And online has two aspects to it. Its traditional graduate job-boards as well as our social media activity' [Extra-large employer]

'We do tend to do a series of events because we realise that it's not just one thing that will work. So we will do online advertising, using people like 'Rate my placement', Target Jobs and Prospects. We have a student centred website, all [company] branded that talks all about the opportunities and what it is like to work at [company]... we have a social media strategy.' [Large employer]

'Online, digital, social media, advertising, campus presence, sponsoring campus events, recruitment fairs. It is across the board really… all types of media' [Extra-large employer]

Employers and stakeholders recognised that face to face activities were valued by potential applicants and helped build rapport and engagement but that these were expensive, involving staff time, travel and, in some instances a fee from universities. This expense, coupled with reduced recruitment budgets in the difficult economic climate, meant that companies had to scale-back and prioritise their face to face activity (see Chapter 5 for a more detailed discussion of employers' engagement with universities). Online marketing and attraction methods however offered a cheaper low or no cost solution and allowed employers to reach out to a wider audience. In addition, improvements in technology meant that online methods could be interactive, allowing potential applicants to ask questions of recent recruits and have virtual tours of employers' premises. There was a sense that employers were trying to work more efficiently, getting the best return from tighter resources, to be more innovative, stand out from the crowd and to get ahead of the competition.

The types of attraction and marketing methods described included often overlapping categories as follows.

4.5.1 Specialist industry or sector based media

This could involve print media but tended to be online media. It was a particularly important method for companies recruiting to posts/schemes requiring specific skills and/or qualifications such as engineering, accountancy/audit, scientific, and legal roles. One small but specialist company advertised its vacancies in the New Scientist: 'it's particularly worth doing if you've got more than one position that you are recruiting for, it seems to have a splash there' [Small employer]. Some companies talked about using local media and sometime local specialist media, which again could be print-based or online, and those using local channels tended to be positive about the responses they achieved:

> '… nothing overly exciting… advertising in the right places, so things like 'Lawyer to be', the 'Training and Pupillage Handbook', and specialist websites. So a mixture of online and brochures but all within the heavy legal sector. We rarely use things like Target Jobs, which are more generic.' [Extra-large employer]

4.5.2 Professional bodies and employer associations

These professional, trade or sector-based organisations could provide support to employers and often access to free online advertising of vacancies. They would then act as a key search source for students and graduates looking for specific graduate opportunities. Examples included: the Biotech Industry Association, One Nucleus, Institute of Chartered Accountants for England and Wales (ICAEW), Engineering Forum, and Institution of Actuaries. However one employer deliberately did not use their industry key recruitment site as they started their recruitment earlier in the year, and felt they needed to provide a different message for prospective recruits than they felt the site would allow. Another noted how they used the Institute of Chartered Accountants for England and Wales (ICAEW) to support their recruitment, as the professional body for accountants work to encourage interest in the profession generally as well as providing a space to advertise employers' vacancies: 'they do quite a big drive for graduates' [Medium-sized employer]

4.5.3 Online media – websites and job-boards

All of the companies consulted had their own websites, and tended to post their graduate vacancies and information about their graduate trainee schemes on their websites. These could be central national websites but also websites for regional offices. This was at least the bare minimum recruitment activity that employers engaged in, but was often regarded as a key activity around which other activity could be wrapped. Companies own websites, specifically their graduate recruitment pages, tended to be the destination that their other activities steered individuals towards:

> 'We also have the website which is probably the most important of all the different attraction methodologies which gives a very clear, hopefully, understanding of what the different schemes are, the selection process, the training programme and all the different aspects and also links to things like the internship programme.' [Extra-large employer]

Many employers also used job-boards such as: Gradjobs, Insight Careers, Jobs.ac.uk, Milkround, Monster, Prospects, Ratemyplacement, Student Room, Target Jobs, and Total Jobs. As well as these broad job-boards with national coverage and wide subject coverage, some also used local and/or specialist sectoral job-boards

> 'I'd like to say there's some magic source, or we go out hunting specifically, but what we just normally do is put adverts on job-boards, and make sure it's graduate specific in the title so people aren't wasting their time.' [Small employer]

> 'The majority of our advertising, if not all of it, is done digitally. Purely because of the target audience and the ease of access for that information being online.' [Extra-large employer]

In addition social media was an important and growing aspect to employers' marketing strategies (see below).

4.5.4 Networks, word of mouth and personal recommendation

Despite the use of multiple channels, informal channels still seemed to play an important role in both reaching out to potential recruits and also sourcing potential applicants (as also indicated by the research literature and surveys of employers and graduates). It is important to note that this informality did not extend into the selection process (see Chapter 6). Many employers mentioned the importance of word of mouth in their recruitment processes, and it seemed a particularly fruitful channel for smaller companies. This method could include asking existing employees and/or placement students/interns for recommendations of suitable candidates, and could involve a bonus payment if an individual was successfully recruited. It could also involve a broader range of contacts: universities, professional networks and social networks and, even in one case, client companies/customers. These internal and wider contacts could also provide an avenue for raising more general employer brand awareness.

> 'The good thing is the people who I've got working with me, they will always know of 10 to 15 graduates who are not in the roles that they want…some of them are on the check-out, earning some cash because they can't get the roles that they want.' [Small employer]

> 'We have a lot of connections internally, with a number of local universities, people have active peer groups and stuff like that, do a lot of talks, get involved at the community level. It's through the grapevine that people learn the type of company we are, that we really care for our employees, and the ways we do our development is very forward…a lot of people are interested in working with us.' [Medium-sized employer]

> 'We know that we're probably going to get a better quality of application, and somebody who maybe understands the business more, and knows what they're getting into, from the referral programme from one of our own current employees. So, they're encouraged to refer any friends that they have, that are looking for a job. We get a lot from customers, customers' family or friends. And it's just having conversations with them. And we pay anything between, £750 and £1,000, for that employee if they're eventually successful and get a job with us. So, it's a really good additional benefit, for employees to increase their salary'. [Extra-large employer]

'I think there is still a vast amount that is done through networking. A lot of jobs will end up being filled by somebody who knows somebody, or has met somebody at something, or that kind of thing… a lot is still word of mouth rather than always advertised through the traditional Times employment pages or whatever…I think for graduates it is really important for them to be aware of that, and to use that. Because if you just sit looking at internet ads for jobs, you are going to find it very tough… An awful lot is still done through recommendation…so you need to be networked.' [Medium-sized employer

One employer noted how they used a particular ethnic group's network to broaden their reach:

'We are involved in attraction through partnerships, for example partnerships with diversity groups such as the African Caribbean Society. We can plug into them and get a good level of attraction, hopefully.' [Extra-large employer]

4.5.5 Working with universities

Employers most commonly liaised with universities when they wanted to advertise vacancies via careers services, academic departments or former students now working as graduate trainees (see Chapter 5 for a full discussion of employer and university interactions to support graduate recruitment).

'In terms of formally how do we get ourselves out there, we write to every law faculty that we can possibly lay our hands on, and I think it is about November, December, sending them, in effect, a poster which we ask them to display. We also then place an advert in The Times legal section in January of every year advertising that we are looking for pupils, and we also go out and speak to a couple of the Bar Course providers in London.' [Small employer]

Employers also undertook campus-based activities to have a physical presence and to facilitate direct interaction with potential recruits. At least half the employers interviewed did so, and the vast majority of larger employers undertook significant on-campus activity (concurring with the Association of Graduate Recruiters survey results). These campus-based activities tended to involve the larger employers (with at least 250 employees), and involved a range of activities. However it was clear that employers' campus presence had moved away from the old 'milk-round' model whereby the purpose of the visit was to undertake part of the selection process or at least the early sift of candidates. It was now firmly focused on the marketing and attraction aspect of recruitment. Stakeholders felt that employers were finding different ways to engage with students on campus. Employers reported the activities that would bring them into contact with larger numbers of students included careers fairs and presentations, where employers could sell the company more generally whereas more intimate activities, allowing more interaction, included providing skills-based workshops.

'We're on campus in a very traditional way – advertising opportunities, careers fairs, presentations, skills sessions – all the usual kind of stuff… I think big employers can get a hard time on campus by departments when they try to go into campus for workshops or skills activities. We want to go in to add value to a degree course, not to recruit.' [Large employer]

'In terms of being physically present at university campuses, we go to about 25 universities and we'll conduct events, things like attending the Law Fair, hosting presentation evenings, running skills sessions, having student brand ambassadors who will actively promote us on campus. So, that's our physical presence in order to reach that wider audience as well.' [Large employer]

'… taking the business onto site to talk to students. We attend some careers fairs at universities where we believe we have a good return on our investment.' [Extra-large employer]

One employer had a particularly sophisticated attraction strategy involving a campus presence to build brand awareness and then build loyalty to the brand:

'…we've divided our attraction piece into two really. The first is just general brand awareness and fitting people in. So we have a lot going on on social media. We go onto campus and do big branding events, and those are things that people don't have to apply to; they're just seen as a prominent place in the university. People can just come and speak to someone. We go to careers fairs. All of that kind of thing to get in front of the right people, have those conversations and start to introduce the idea of [company] to them. And then we have more intimate events for people who have maybe met us once on campus and have already decided that they want to work for us, and then it's really about building that loyalty and that interest to get them through to actually applying and accepting a job with us. We do things like intimate dinners with senior leadership. …we'll do a really nice networking event for those people; we'll get people into the office, guest lecturers at universities, skill sessions, and all of that kind of stuff. So really across the whole gamut from the person who hasn't ever heard of us and actually starting their interest; to the person who's already decided they want us and actually we want to just get them to know [company] a little bit more and get them excited about the idea of joining us.' [Large employer]

4.6   Who is involved in recruitment?

Larger employers tended to have internal specialists with responsibility for the graduate recruitment as well as the graduate selection process. They had responsibility for developing marketing materials, checking adverts for compliance to relevant legislation (eg equality legislation), participating in marketing activities, administering the application process, administering the selection process, and communicating with candidates (successful and unsuccessful). In larger employers who were recruiting large numbers of graduates, these internal specialists' main tasks involved graduate recruitment. They often ran the recruitment 'campaigns' to attract and select a group of students/graduates and tended to look after the schemes/trainee programmes rather than recruitment to direct entry jobs (see Chapter 3). In smaller organisations these individuals had multiple responsibilities, looking after all levels of recruitment and the full range of Human Resources issues. Whatever the size of the employer, these individuals or teams could draw on wider resources within their companies to support recruitment and particularly selection (see Chapter 6): senior managers who might want to make the final hiring decisions, experienced employees within specific operational departments to assess

technical specialism and/or cultural fit, and new graduate recruits or recent placement students/interns to provide insight into the company and the recruitment process.

4.6.1 Recruitment agencies

Companies of varying sizes, although less than a third of those interviewed, used external agencies to support their recruitment and marketing activity and/or their selection processes (see Chapter 6 for a further discussion of the selection process). These tended to be private recruitment agencies, but could also include a public service provider such as Jobcentre Plus. Recruitment agencies could be used to undertake marketing (brand development and/or advertise vacancies), source candidates, and take applications and administer the application process ('candidate management'). In some cases, organisations had built good relationships with these agencies who they felt understood their needs. Recruitment agencies were often regarded as an efficient use of time and resources to source suitable applicants:

'We find that it's [using recruitment agencies] more efficient, in terms of time at least to get an agency onto it… we'll often put it out to two or three agencies and see who can come up with the best candidate.' [Small employer]

'… a recruitment agency that we work with that develops the collateral, which is the jargon for bits and bobs, but they'll also propose a media schedule, but then ultimately we agree it. … It is all online, generally. There are very few printouts we do, because you can't get a return on them, so they will come up with what is predominantly an online media schedule… there's another agency that helps with candidate management.' [Extra-large employer]

'I'd say it's half and half. Half of it is we go out to recruitment agencies and then half of it is we'll have people that are introduced to us, young people who will start working for us while they're studying and then we take them on when they finish their degree…If we're having trouble recruiting directly, then we will use employment agencies. It's another source of candidates… generally a technical agency, rather than a graduate agency, because a graduate, someone that's graduated in a technical discipline, from our experience, they do seem to register with technical agencies, software development or engineering agencies or whatever.' [Medium-sized employer]

'We have typically used the recruitment agencies… get them to handle the bulk of the work upfront. So, they'll do web advertising, they'll do all the Linked-in searches and things like that, and then they'll present us with a short list, and then we'll have a look at that and choose…they are agencies that have a scientific wing to them; their knowledge of universities is terrible, right throughout. So, it's interesting, because I think the assumption is employers, big employers will work the university relationships themselves, hence the agencies don't play in that market. I think the agencies are more concerned with experience… so if we want a chemist, and this is where we've had a lot of success, and that's just going to your local recruitment agency who does chemistry and who does have a scientific arm, and just say, right, we need to employ a couple of chemists, and they've sent good people through, good first degree chemistry people. And we've got a very high success rate from that. It's easy and it's cheap, and it works.' [Large employer]

One recruitment agency (also a graduate employer) gave an insight into the recruitment services they provided:

'We advise the client around which universities they should be going to, we advise the client around what media, online channels they should be using and also what kind of collateral they should be taking with them onto campus in regards to graduate recruitment, specifically. Then also around website updates, what should be included in the website, elements like this.' [Medium-sized employer]

However other employers were very definite about not using recruitment agencies to support their marketing and recruitment approaches, some after negative experiences.

'We'd never outsource it [recruitment and selection], because I think that takes away the personal touch, which we look for… We're a customer facing role. So, I think outsourcing it, would defeat a lot of the, go against a lot of our different values, etc.' [Extra-large employer]

Others felt they were too small or the costs were too high to involve external specialists:

'I don't think we could afford to hire… to have a consultancy, or whatever it might be… those kind of companies. Yes, so, no, not at the moment but, as I say, maybe as we get bigger and we might need that extra kind of skill set that will help us grow as a business, then, yes, that may be something we will look to doing.' [Small employer]

4.6.2 Graduate trainees and former interns/placement students

Stakeholders acknowledged the importance of meeting potential applicants face to face. They felt that applicants needed more information than just salary, training opportunities and start date, information easily provided online. Additional factors to understand included the culture of the organisation and the realities of the recruitment processes and their chances of success. The best 'messenger' for this information would be 'someone like them': 'it is all about showing them recent graduates, in many cases from their old university, 2,3 or 4 years into the business who can come back and explain, and reassure' [Stakeholder].

Employers appeared keen to include either former placement students or recent graduate hires in their recruitment process, but in the main it was the larger employers who were capitalising on this resource. Graduate trainees and placement students were regarded as a key source for generating positive reputation and image, and could spread the word about the company and the opportunities it offered. Placement students returned to their universities and could act formally or informally as ambassadors for the company. In some instances they were called brand managers and received payment for the support they provided.

'Then, if you think about our interns, they would be given like ambassador roles, so when they go back into their final year, they would then work as kind of campus ambassadors for us at their universities, to be on the ground.' [Extra-large employer]

'We had five champion female brand managers at [University] this year. We'd struggle, not struggle, but it's always a focus of ours, to ensure that being a [type of company] is not something that females usually have top on their list of which company they want to work for. So, these five females really help. They did all of the sourcing… they did like a pre-screening with different people. And they, literally, then presented a bunch of candidates, who they'd spoken to on campus, to our recruiter up in the North East, and we interviewed them. And so all of this year's interns, for that particular region, I think, bar two, have come direct from these campus brand managers… students are more likely to believe peers, who have already worked here, rather than, do they really want me going on campus telling them how great it is? Probably not. They'd rather someone who's spent a year with us. Who's gone back to university, telling them, and talking about the programme. And that person will know, and be able to talk about [company] from a real life perspective, I suppose.' [Extra-large employer]

Graduate trainees were also a source of information and ideas. They could provide recruiters with an insider view of their higher education institution, the way it operated, and of the approaches used by their competitors. They could also give feedback on why they chose to apply to the company and their lived experience of the recruitment and selection process. This information could in turn be used to develop marketing materials, adapt the selection process, and generally bring a fresh perspective to the marketing approach:

'For each campus team that we work with, we have particular campus teams set up to support those schools, and that's a mixture of alumni from trainee all the way up to partner level... each university is different culturally, so that insider knowledge on it is really a benefit to my team, in terms of how we structure the activities and the timetables for the events that we run.' [Extra-large employer]

'Sometimes we get the feedback from the actual graduates in terms of what the competition is doing, what they're aware of that their peer group has been involved in.' [Extra-large employer]

'So since I've joined [company] I've been carrying out focus groups to try and understand what attracted our graduates to the business, why they chose [company], what was found most useful about recruitment approaches. And some of the things that came out of that were actually the importance of being able to see real graduates in the business to see that they were still standing but also what they were involved in…. So actually the three key things that have come out from those focus groups is the graduates needing an understanding of what do you do as an organisation, what does [company] actually do, and as part of that what can I look forward to doing as a graduate on that scheme in my actual day to day job?' [Extra-large employer]

Critically employers recognised that graduate trainees could provide potential recruits with a real insider view of the organisation and of the selection process. Employers felt graduate trainees/recent hires were a credible source of information, even role models, for current students. This was particularly the case when graduates were returning to their former universities to engage the current student cohort. Graduate trainees supported the recruitment process by taking part in campus-based activities and also by supporting social media activity. Employers spoke of current trainees making videos/video diaries, being the focus of case studies, posting blogs and responding to online discussion forums and threads:

'I completely rely on individuals that we've recruited through those programmes … there's absolutely no way I could do it all… we absolutely get our recent graduate cohorts involved in going back onto campuses. And often that's the most authentic and credible way of engaging with students, is when they've actually got somebody in front of them that's talking with very recent experience, rather than somebody like myself who's 18 years further down the line. You could talk to them about it, but they don't really get it, and they believe it when they've got a recent student talking to them'. [Extra-large employer]

'I guess the first thing we back up is social media presence…We've got like a trainee blog called [catchy name], which is run by our trainees, and our team don't really get involved in that at all. So it's like a blog forum where trainees talk to trainee candidates, and it's a workspace for them which works really well for us, and we've got some amazing people on there. We've also got university teams which are often very much driven by trainees, so they would look at going back to their previous university to talk to students there, to make that connection. When our new hires are hired, we pair them up with a buddy who is another trainee who's probably just a year later down the line from them. So they have that connection between getting their offer and then when they join, because sometimes it can be quite a long time for trainees between getting an offer and actually joining in the following year… I guess, actually, what I'm trying to say is our trainees that we've hired are fundamentally a massive part of our capture and recruitment strategy for new training.' [Extra-large employer]

'We did a recruiting video last year, which was fantastic… it's an amazing video where we have interviewed graduates… We thought of diversities, so we got female technical graduates to talk... we had two grads and two students. Both grads were ex-interns. It was a really good story to tell about how they started working at [company] as students and how they got converted later on. We filmed them on site, so you could see what it looks like. We shot the canteen, the games room, all of that, [town] area as well, how it can be attractive to students and graduates because, again, it's important to talk about the social life aspect. It's not just about work. So, that video I think was very popular.' [Large employer]

These individuals could also be used during the selection process to field any questions or indeed (as noted above) informally help to recommend/identify suitable applicants (see also Chapter 6):

'… last year's graduates have been very active in this year's recruitment process. I had them all attend the Assessment Day so that they could be on hand to answer any questions from the graduates at the Assessment Day, because they were there last year, and to talk about [company] and say what a great company it is. …it proved a great success, actually, and it's something we're going to continue to do each year.' [Large employer]

'They have a tour of the facility, by our recent graduates, and the graduates are probably the worst people, because they're more picky. The graduate will talk them round, ask them a load of questions, do almost like a secondary soft-skill interview – they'll be asking loads of questions, without being in an interview format – and then they'd feedback to me.' [Medium-sized employer]

4.7   Issues for employers

4.7.1   Importance of brand and raising visibility

The stakeholders interviewed raised the issue of the increasing importance of 'brand' amongst students and graduates, and how this influenced potential applicants. Stakeholders saw smaller employers having much more difficulty creating a visible profile with students. One stakeholder noted: 'University Careers Services will have 10,000 employers on their files, with no more than a couple of hundred that students will have heard of. These other companies tend to be smaller, local companies that want to recruit graduates but they very rarely turn up in person and are almost invisible in the process' [Stakeholder]

Stakeholders felt there was a perception among students that small firms were not as "good to work for" as blue chip companies in terms of putting them on their CVs, and would provide fewer opportunities. This could be partially driven or exacerbated by parents' views or indeed by the term 'small and medium-sized enterprise/SME' which gives an image of pedestrian, unambitious companies. However smaller companies were acknowledged by the stakeholders to offer opportunities for early responsibility and challenge, which may be especially attractive for more entrepreneurial students, and that because an organisation is smaller does not necessarily mean it is less reliant on a graduate workforce. University Careers Services were felt to play an important role here in raising students' awareness of smaller and local companies. Once brand image was raised it needed to be maintained, and the key here was the candidate experience. Employers felt it was important to manage the candidate experience to ensure word of mouth remained positive.

These perceptions were echoed in the employer interviews and some employers talked about the challenges they faced in raising awareness of their company and of the opportunities they could offer graduates. These were indeed often small employers, who felt they not only needed to increase the visibility of their company but also the opportunities that small firms in general could offer motivated graduates. This led them to consider innovative solutions including competing for awards that recognise good graduate employers:

'We're looking long-term, because we are just penetrating the graduate market. It is quite difficult for us, to a certain degree, because we are a small company. Not a lot of people have heard of us, so we've got a branding requirement to build up.' [Medium-sized employer]

'There are a lot of students that are hungry, that are ambitious. They would not necessarily realise the benefits of working in an organisation like ours. What we have to get across to them, is "yes, we're small, but you look at our clients, look at the work we're doing"'. [Small employer]

'As a small to medium enterprise not having the biggest of budgets for advertising and media, I'm doing what I can and I'll keep looking for new opportunities… We have entered the JobCrowds top 200 companies for graduates to work for. So we've done an internal survey with all of our staff which has been put forward to them. They publish those reviews and we'll be going to their awards ceremony later this month, as well as

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having job opportunities posted on a profile that we have on that page.' [Medium-sized employer]

However raising brand awareness was also a challenge for some larger organisations, particularly those looking for technical specialists in a sector dominated by several large firms. It was also an issue for larger companies known for one particular aspect of their business who felt they needed to raise awareness (and thus interest) in the full range of their business and what they could offer graduates. Employer feedback suggested that face to face contact with potential recruits was important in raising awareness:

'Because we're an organisation that is not a well-known high street brand among the student population, the face to face stuff continues to be our best way of getting out there and talking to people. We can have a Twitter page but if you've never heard of [company] you're probably never going to go and visit.' [Large employer]

'We're not a well-known brand in the student marketplace, because students aren't necessarily our consumer audience, so we need to do some wider advertising. So we tend to use some of the big student job boards, like Look Round, Prospects, to get a message out there to a wide audience of who we are and what opportunities we have. We do some industry specific advertising as well, so for our actuaries, we will advertise with the Institution of Actuaries, and a publication called Inside Careers, which publishes a guide for actuaries.' [Extra-large employer]

4.7.2 Role of the internet and social media in recruitment

As noted above, social media tended to play an important and increasing role in employers' attraction strategies. At its most basic it could be used to drive traffic towards a company's main recruitment website. For many employers it was seen as a cost effective method to interact with prospective recruits, a way to reach a broader number and range of potential recruits and harness a channel that young people use regularly – indeed the normal method of gathering information for the key audience. Social media could also be used to keep candidates engaged throughout the application process with virtual applicant networks and spaces for them to interact and build a community. The stakeholders interviewed felt it could be used to enhance employers' branding and tap into the broadest pool of talent. The key social media vehicles were Facebook, Twitter and Linked-in, but others included Viadeo and XING. Many employers were using social media heavily in their recruitment campaigns:

'We are obviously always on the lookout for new ways of doing things. I think the key is everyone talks about social media and using social media to attract the talent, however you have to use it in the right way and people sometimes get too carried away with using the different forms of social media.' [Medium-sized employer

'We use social media a lot to really try and convey the culture of the firm and recent news on what we're up to and obviously anyone can access that kind of thing. Equally, we've run some webinars that, again, people from any location can tune in and build their skills and understanding of what we do.' [Large employer]

'Attraction is based on a range of things to do with stuff like social media. We are engaging through quite an extensive social media platform where candidates can ask questions and they can respond to live chats. That's Facebook and also Twitter and other platforms.' [Extra-large employer]

'Social media, we have just started to use that. It has a much broader reach so most people use social media. I think you have to, as an employer, use social media to attract as many people as possible.' [Extra-large employer]

However one employer was at pains to note that social media content needed to be monitored and updated to ensure it was engaging, responsive and having the desired effect:

'The thing is you've got to keep it fed with relevant, up-to-date things as you go through, so lots of photos from the careers fairs, 'we are here today'. Answer questions – make sure there's always someone who will be watching it during the day. They're doing their day job, but if a question comes up, you get a reply quickly. ... What we do is we put all our events, where we're turning up, on there, we give them timeline, we get trainees to put up their experience through assessment centres, and then their experience in the job. You have to keep it rolling. Facebook is very important, all the other marketing is just to lead them back to that. Then, all the stuff on the Facebook page is where they're going to find the information. We put videos up – we have Google Hangouts, now, where we get trainees to chat about, oh, I remember when I applied, it was like this. .. It's quite funny, because they seem very relaxed affairs, but you need about four people around computers, plus the people having the conservation – everyone's working like nuts to answer these questions…It's keeping it fresh and lively – little videos we put on there, we find little videos of how [company] works and stuff like that. So that's how that works.' [Extra-large employer]

A few employers had not yet ventured into this space or felt they could do more to leverage the potential for social media in recruitment:

'The other thing of course with the e-world, using websites etc. is that we are not leveraging some of the social media and website opportunities. We had an idea a couple of years ago to do some sort of profile of what it is like to work here etc. We still haven't got that up and running… so there are other things we can easily do that will showcase the types of careers.' [Extra-large employer]

However one employer felt strongly that it was not for them:

'None of our graduates are interested in social media. They want to talk to us instead and find out what it is like to work for us. On social media they say just leave us alone.' [Large employer]

4.7.3 Wider pipeline activity

Some of the employers interviewed (approximately one-third) were also actively engaged with younger individuals, from pre-university entrants at college right through to primary school children. They tended to work with local schools and colleges, and/or specialist colleges, rather than having a national programme. This appeared more common among

larger organisations, and in specific sectors: the manufacturing and engineering; accountancy, banking and finance; and law and consultancy sectors. It was much less common in the public sector. In larger organisations wider engagement activity was often centralised and undertaken by dedicated units that were separate from the graduate recruitment team. In other organisations the links were more ad-hoc and less formal; and tended to be undertaken voluntarily by staff at all levels of the company and so may not be recognised as engagement. Indeed, several respondents suggested that school-based activities happen because of the enthusiasm of their staff and are conceived in the spirit of giving something back to the community. In reaching out to younger people, employers were often working with partner organisations or wider industry bodies. These included: Rainbows (the girl guiding stream for girls aged five to seven), the Smallpiece Trust, Pure Potential, and the Engineering Development Trust. Indeed there appeared to be a plethora of charitable organisations with the remit to raise the aspirations and interests of young people:

> 'Yes, we do a huge amount with schools. We have a separate team, the community team, that are responsible for managing all our outreach work, and that tends to be around raising aspirations with any age group at secondary school. We are also involved in PRIME – which is a commitment by law firms to provide placements to year 12 and 13 students from socially... lower socio-economic backgrounds... to raise the profile of the profession.' [Large employer]

There seemed to be three key reasons for undertaking wider pipeline activity: a) to enthuse young people and garner interest in a subject of study, generally sciences; b) to encourage young people to consider a particular career, and this could also involve raising awareness of the types of qualifications and study path they would need; and, less commonly, c) to start to build the employer brand. Often diversity considerations overlapped with these key drivers, and employers sought to influence the supply chain hoping to, for example, encourage more young women to consider a career in engineering and more men to consider a career in Human Resources. Much of employers' wider pipeline activity was conceptualised as being part of their social responsibility.

> 'Work with schools is where you 'win hearts and minds' and help some students to develop a passion for a particular subject or occupation.' [Extra-large employer]

> 'Our food technology team are already doing quite a lot of work out in the schools base, because actually it is too late once they've got into university. We need to make sure they've chosen the right GCSEs and the right A levels to be able to do the right degrees... we have some concentrated and focused work where we have a particular shortage of future talent coming through. And then, on a more general level, we would be working with schools and colleges'. [Extra-large employer]

> 'My frustration with the industry I love so much is that we're all fighting in the same pond for the same graduates. My personal belief is I need to do something to make the pond bigger... we've even started going out to schools now and doing sessions with them to try and help sixth-formers before they even get to university... using employer information and what you need to be doing at 15,16 to able to compete in today's market place.' [Extra-large employer]

'As part of the company we have developed a group of younger engineers who have joined together, they have a whole group of people that are STEM ambassadors…They actively go out to schools and local communities to do presentations on engineering or women in engineering, women science paths, and they'll take all our equipment down and show them, let them play with the equipment and give them a talk about where they could potentially go… we start pipelining, looking at the future and building the engineers from the age of like, 14, 15, before they start picking their subjects. We're also going even down to the younger ones, the ones that are just starting out in their educational career, and getting involved in the careers fairs.' [Medium-sized employer]

'We really need to get that into schools and part of it is about changing the image of HR, so I think people who don't have much exposure to the business world would think of HR as personnel and person issues, whereas it is a business management stream of work. So we want to attract more men into it, we want to attract the right type of person who's up to strategic change management work basically. So helping people to understand that at an early age, that it's a guy's career, I think would be helpful.' [Extra-large employer]

Employers reported involvement in a wide range of school based initiatives, including: competitions, games and projects; giving talks (eg careers day talks), workshops and presentations often using equipment to bring alive the work in certain occupations and industries; providing visits into workplaces; providing work experience placements, internships, running mock assessment centres and summer holiday projects, etc. Some of these activities could be large scale and something the employer had been doing for some time. For example, one very large employer of graduates ran 20 to 30 sixth form events per year involving current and former employees returning to their old schools to give talks to pupils about how to compete in 'today's marketplace' [Extra-large employer]. Another noted:

'We were working with an organisation called the Engineering Development Trust. They're working with us on activities within schools, and we have a schools' liaison programme which includes work experiences…so we've had 200 kids from [place name] and [place name] for a week during the school year.' [Extra-large employer]

There was one interesting example of an employer who was actively involved in supporting employability:

'One of the things we do, we've been doing now for a few years, with the secondary schools, at either year 11 or year 13, we actually go along and we do mock interviews with the students. So they'll send their CVs in advance. We'll go through a process, as though we were recruiting them…at the end of it, of course, we give them complete feedback on the good and the bad and the ugly, and that's the non-threatening environment… Those sorts of things can be quite helpful when they actually come to apply for a real job.' [Medium-sized employer]

Work with schools and colleges also involved offering apprenticeships or 'school leaver programmes', as an alternative route into the company (see Chapter 3), rather than working to stimulate the graduate pipeline:

'So the school-leaver programme is a six-year programme initially and it's basically a graduate programme with a bit before it so you get the professional qualification, the work experience at the same time …it incorporates that university experience into it … and they gain work experience as well as gaining a university degree at the same time. We currently run with that with three universities around the UK …'. [Extra-large employer]

Indeed, stakeholders reported that school leavers and apprentices appeared to be of growing interest to employers again. Stakeholders felt employers were concerned that, with the increase in tuition fees, more and more bright young people would choose not to go to university and so there would be talent in the school leaver group. Also recruiting at this early age could create better loyalty and thus retention. Poor retention was considered to be particularly challenging and costly for smaller businesses so they may prefer apprentices who were likely to be more settled in the locality. However stakeholders felt the move may also be driven by social conscience, in response to the high levels of youth unemployment.

There were examples of employers who had either not considered this type of activity, felt it would be too resource intensive, or felt it would not be beneficial as they considered awareness raising of their company and the opportunities they offered would be too far removed and thus too abstract for young people to take on-board.

4.8   Plans for change in the approach to recruitment

Employers described a number of changes they were looking to make in their recruitment activity, these included:

- Building brand awareness, and for one company this meant working to upgrade their online presence but exploring other media channels such as local radio. Or additionally working to promote occupations and careers to under-represented groups (eg women in engineering as noted above), and getting involved in national 'movements' or campaigns:

  'Look at other activities to raise awareness of the [company] business…Getting involved in other events. There is a huge focus on women in engineering at the moment, so kind of working out how our business can be involved in that.' [Extra-large employer]

- Being considered and targeted about their marketing activity, being proactive and innovative, building in more opportunities for interactivity and making more use of their graduate trainees. This may involve using different mechanisms, channels and activities such as: using local trade advertising, increasing the use of job-boards and widening the range of websites used, getting involved in student competitions such as Formula Student, and identifying relevant universities (eg those offering relevant programmes) and making direct links with their academic departments. It could also mean making more effective use of social media.

'For example just sticking an advert up, certainly on our own website if you're a SME, you have no chance of getting any decent volume of applications. But even if you just put an advert on a job-board you still might not get the volume. You've got to be pushing out emails. You've got to be driving the job-boards hard to get results… what we're seeing companies doing is not just working with Careers Services, but targeting Academic Departments and actually working directly with them, working with student societies to try and spot talent early.' [Small employer]

'Another major change is not going through the careers advisory services at universities….. they do increase selection but they don't understand the company, the ethos and culture of the company. How could they? There is so much more to working in a small business which is quite pressured, everybody's important, they've got to have a team mentality…That's why I found working directly with tutors, actually building an email rapport with them and saying, we're looking for this kind of person, can you recommend somebody? And we have had some fantastic people because they understand us, we understand them.' [Small employer]

'Well at the moment… we're a little bit reactive, I guess to opportunities that are available to visit universities, going to careers fairs, and what we recognise is that we want to be a lot more targeted in that approach. So identifying the right kind of universities to approach, so that'll bring in the right kind of candidates for our positions, and actively working the relationship with them, so we attend a number of events with them, or we sponsor business projects for example, so that we can get to work with candidates for a longer period of time… look at earlier on in the process… in schools, and more sessions around employability skills, and expectations in assessment centres, what businesses are looking for from students, as they go through their kind of applications and assessment centres.' [Extra-large employer]

'Last year we weren't making it necessarily as clear as it could be what those roles would involve…. we've now got graduates who are coming off the programme and a significant number in that graduate community that we can start to bring to life some of those graduate roles., what the grads have been doing and what they can expect as part of their time, the placements, what that looks like. So the campaign this year is really focusing on putting some faces, some stories to our graduates.' [Extra-large employer]

- Presenting a more coherent and consistent message about opportunities (and brand):

  'We've marketed three separate schemes on the website. One was a business leadership programme, which sounded like the all singing, all dancing programme to be on. And the IT and engineering schemes kind of seemed like the poor relations I guess…the less attractive options to apply for. So what I've tried to focus on in creating the messaging and marketing for this year is that actually they're all leadership programmes, we run business leadership and technical leadership programmes… I've tried to redress the balance really and emphasise that they're all routes to leadership with [company].' [Extra-large employer]

- Adjusting their timing. In the main this meant engaging/reaching out to students earlier in their academic journey (the student lifecycle); but could also mean moving

forward their annual cycle of activity to start earlier in the academic calendar. This trend was also acknowledged by stakeholders interviewed:

'Organisations are now having to do more and more at an earlier stage. So whether that be in schools, or whether that be once they've got to university, a lot of our focus is now in the first and second years. Whereas probably even five years ago the focus was very definitely on final year students. But sometimes by the time it's their final year, it's actually too late to be engaging with them. So we're definitely doing more and more to try and target people earlier on in their career journey.' [Extra-large employer]

4.9   Key points: recruitment

- The majority of employers go to the market in September, launching their recruitment campaign and opening their application process, one whole year ahead of anticipated start dates for new recruits. However there was a sense that as competition heats up with the economic recovery, some employers would be moving their recruitment activities and application deadlines to earlier in the calendar year.

- Employers' approach to recruitment, in terms of attraction, depended on whether they felt they were getting the right quality and quantity of applicants to match their demand. There were examples of small companies having little market presence and no clear routes into the market, needing to know how to reach out to graduates. There were also examples of larger employers dealing with too many applications and looking to reduce or refine the flows into their recruitment process; but equally there were larger employers having difficulties attracting the volume and diversity of applicants they needed to specific 'shortage' occupations.

- Employers recognised the importance of face-to-face interaction with potential candidates and so tried to combine a physical presence on campus with online activities and a multi-method approach appeared to be the norm. Key methods or channels to promote vacancies and encourage interest in the employer included: specialist industry or sector-based media; use of professional bodies and/or employers' associations; online media such as websites and job-boards; and working with universities. It was interesting to note the continued importance of networks, word of mouth and personal recommendation in recruitment activity, and the use of existing employees and placement students/interns in this.

- Whilst some employers used recruitment agencies to support their recruitment activities, the majority of employers interviewed dealt with recruitment in-house and could draw on Human Resource (HR) specialists as well as wider resources including senior management, experienced employees and new graduate recruits or recent placement students.

- New graduate hires and/or recent placement students/interns were felt to be the best messengers to encourage interest in the company, represent the culture of the organisation and generate a positive image and reputation – essentially acting as ambassadors. They could also get across to potential applicants the realities of the

recruitment and selection process, and help manage candidate expectations. These individuals were felt to be a credible source of information for current students. They could support the recruitment process by accompanying the recruitment team on campus visits, by providing case studies for the employer's website or posting blogs and responding to or leading discussion forums. However new graduate recruits could also provide their new employers with: insight into university practices, student outlooks, and the lived experience of the recruitment and selection process; and thus bring a fresh perspective to the marketing approach.

- Some employers were struggling to raise the visibility of the organisation and establish or broaden their brand in the graduate market place. This was a particular challenge for small employers who felt they had to overcome negative perceptions about working in small companies in general as well as promoting their own brand and the opportunities they offered.

- Social media was playing an important and increasing role in employers' attraction strategies, allowing interaction with potential candidates using a channel they used regularly and heavily. It could be used to enhance branding, tap into a broader pool of talent, and build applicant communities to support retention; but would require careful monitoring and updating to ensure it was engaging and responsive.

- Several of the larger organisations were actively engaged with pre-university aged individuals, working with local schools and colleges to influence the supply chain. The work here aimed to: enthuse young people and engender an interest in certain disciplines/fields of study (generally science); encourage young people, particularly under-represented groups, to consider a particular career and to understand the study path required; and/or to build the employer brand. These activities were often undertaken as part of the employers' corporate social responsibility. For some employers, wider pipeline activity also involved exploring the potential for alternative (non-university) routes into the organisation.

5 Employer engagement with universities in recruitment

5.1 Introduction

This chapter explores the role of universities, including university careers and employability services, in the recruitment of graduates. It looks at the extent and nature of employers' targeting of universities and courses, and the reasons for this and whether these practices are changing. This chapter also includes the involvement of universities in marketing, recruitment and selection and how university policies for engaging with employers affects the way that employers' recruitment practices are supported.

5.2 Setting the scene

5.2.1 Targeting universities within broader recruitment approaches

Before presenting findings from the employer, careers and employability services and stakeholder interviews, a review of the relevant research literature sets the scene.

In their study of employer engagement with HEIs, Hogarth et al (2007) proposed a classification of different types of graduate recruitment; they distinguished between fast-track management schemes (designed to fill senior managerial positions in the organisation), sub-fast track management schemes, recruitment of graduates to specialist positions (often requiring a specific degree or technical knowledge), localised management schemes (serving a specific region), and instances of ad hoc, 'just in time' recruitment to fill a particular position (most popular within small-medium sized enterprises and employers new to recruiting graduates). These different types of recruitment reflect the increasing diversity in the supply of graduates and the increasing differentiation in the range of jobs and occupations that are open to graduates, including in organisations without an established history of graduate recruitment.

As noted in Chapter 4, employers adopted a range of recruitment methods, and choice of method was mainly driven by size of the organisations and whether they were established or new recruiters of graduates. Well-established recruiters of graduates were generally found to have a more structured and strategic approach to graduate recruitment, which involved promotion of recruitment opportunities to students whilst still at university and various stages of selection involving interviews, assessment centres and other sifting methods. Connor et al (2003) found that in most large organisations, 'just in time' ad-hoc recruitment co-existed alongside structured graduate schemes. For smaller or 'newer' organisations in the graduate labour market, ad-hoc recruitment constituted the dominant approach, and the recruitment process was found in general to be less structured (Purcell et al, 2002; Connor et al, 2003; Hogarth et al, 2007).

Hogarth et al (2007) found that the most established employers of graduates – both large and small – all expressed a preference for targeting universities as part of their recruitment efforts, and especially so for graduate fast-track schemes.

The 'traditional' approach to graduate recruitment by large employers, used up to the 1990s, centred heavily on so-called 'milk round' visits by employers to a large number of university careers fairs. This is now considered to lack focus and be 'out-dated' (Purcell et al, 2002; Branine, 2008). Yet the 2013 Association of Graduate Recruiters membership survey shows that 87% of companies surveyed made use of on-campus presentations and promotions, including career fairs, to advertise their recruitment opportunities (AGR, 2013a); and similarly the 2015 High Fliers report found 95% of their surveyed graduate recruiters used careers fairs and 90% gave campus-based presentations to promote their graduate opportunities (High Fliers, 2015).Employers also targeted specific universities for their recruitment efforts by building links with institutions and their careers services. The Association's regular surveys indicate that the proportion of their membership who target universities has increased over the past few years, increasing from 82% of companies in the 2010 Winter survey to 89% in the 2013 survey (see evidence annexe). The High Fliers report puts the extent of targeting at 95% among the UK's 'leading graduate employers' in 2015; and with employers targeting an average of 19 universities (High Fliers, 2015).

5.2.2 Rationale for targeting universities

Previous research has found that the extent of and reasons for which employers targeted specific HEIs for their recruitment efforts differed considerably. Technical content and rigour of courses (especially specialist courses) were particularly important for those employers aiming to recruit for technical positions, often from students of science, technology, engineering and medicine (termed 'STEM' subjects). Other reasons for targeting included geographical proximity, previous positive track record in providing high calibre candidates and a need to focus resources and limit the number of potential applicants (Connor et al, 2003). The practices in targeting and engagement of universities and colleges also varied across different organisations – whilst some, usually larger and more established employers, explicitly targeted universities which were perceived to be 'the best' in terms of entry requirements and academic rigour (Hogarth et al, 2007); others, especially smaller companies or regionally based employers, focused on building mutually-beneficial relationships with their local universities (Purcell et al, 2002; Heaton et al, 2008).

Targeting of HEIs by employers on the basis of an institution's reputation or academic rigour appeared to be a very common practice amongst certain recruiters, for example, for those with fast-track, high potential schemes (AGR, 2013a). The Association of Graduate Recruiters survey indicates that reputation of the university or of a specific course is the most important reason for targeting universities in recruitment activity among its member companies (see evidence annexe, Figure 5.1). However this posed serious issues from a social mobility perspective, as the exclusivity of employers' links with certain elite institutions was likely to influence and limit diversity in the pool of applicants (Connor et al, 2003). This issue seems still widespread in many sectors: indeed, in their review of recruitment practices by financial and banking firms in the City, Dawson et al (2006) noted how competition amongst firms to recruit the 'best' graduates leads to increasing homogeneity in the universities they target, which, for a variety of historical and expediency reasons, were often limited to traditional 'old' universities. Similar tendencies appeared evident in numerous other sectors; and work by High Fliers reports how there

was some degree of commonality in the institutions commonly targeted with Manchester, Nottingham, Warwick, Cambridge and Oxford universities targeted by the largest number of graduate recruiters in their survey (High Fliers, 2015). See Chapter 8 for a full discussion of diversity and social mobility implications of recruitment and selection practices including targeting of higher education institutions.

A body of literature exists that analyses specifically the main drivers and barriers to employer–university engagement (Connor and Hirsh, 2008; Bolden et al, 2009; CIHE, 2010). Purcell et al (2002) found that the 'best practice' employers from an equality and diversity perspective often fostered close relationships with universities in order to target candidates and build relationships from early on, ensure match between skills required by employers and those developed by students and to increase the employability of graduates from less advantaged backgrounds. Hogarth et al (2007) found that the employers that did not target specific universities and did not build links with specific universities were either large employers with well-established graduate recruitment programmes that liaised with most higher education institutions, or small employers that advertised generally for graduates but had no capacity or resources for targeting. The study found that the benefits of employers' engagement with universities were multiple, especially in terms of matching firms' needs with the supply of graduate skills but that channels that would allow smaller or relatively 'new' graduate recruiters to fully engage with universities were found to be absent .

Engagement of small-medium sized enterprises with universities, especially at the local regional or city level, emerges from the literature as a positive strategy to 'bridge the gap' between smaller companies and the graduate talent pool. This engagement meets the needs of both students and companies by: offering work experiences or placements to students in local higher education institutions; and using this as a first tool for selection and recruitment of future employees (Heaton et al, 2008) (see also Chapter 7). Links with universities however still appeared to be limited, and two thirds of the employers surveyed by GTI/Step in 2013 (Phillips and Donnelly, 2013) found it challenging to recruit graduates from universities and would value closer contact with their local universities.

Purcell et al (2002) undertook one of the few studies which looked specifically at the recruitment challenges faced by employers and their evolving practices in an expanded and more diverse graduate labour market. They focused on identifying employers who were responding to the changes in the demographic and socio-economic characteristics of the graduate talent pool and adapted their recruitment and selection strategies to ensure that they fully utilised the new diversity of graduate labour market entrants, doing so in ways that avoided discrimination against candidates from 'non-traditional' backgrounds. They highlighted a list of 'good practices' that employers engage in to promote diversity in their workforce. These included: building close relationships with higher education institutions from early on and offering placement opportunities to help graduates inform their career choices. Others were: being clear about skills and competencies sought, and not confusing them with related individual social or cultural attributes; promoting opportunities widely without recourse to 'exclusive' networks of universities; and being explicit about their nature as an equal opportunities employer, often explicitly encouraging candidates from under-represented backgrounds to apply. Again see Chapter 8 for a discussion of social mobility and graduate recruitment and selection.

5.2.3 How graduates find jobs

As noted in Chapter 4, the Destinations of Leavers from Higher Education (DLHE) surveys show not only the type and location of graduates' first destinations but also how they found their jobs. These data reveal that those with a parent educated to degree level are more likely to use personal contacts and networking and less likely to already work at the company, than those whose parents did not go to university. Men are more likely to use personal contacts and networking than women, but those achieving a 1st class degree were more likely to have used the university careers service than other classes of degree graduates.

Figure 5.1: How UK-domiciled graduates from 2010/11 first found the graduate level job they were employed in at six months following graduation, by employer size
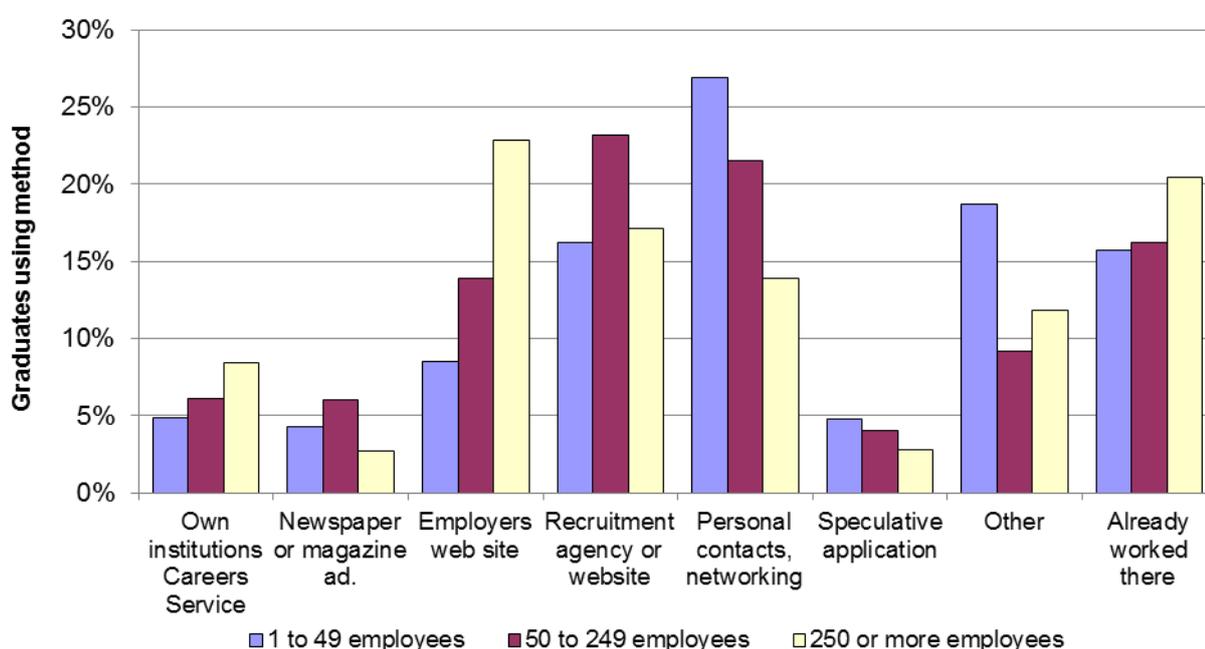
Source: Destination of Leavers from Higher Education surveys, HESA, 2010-11

Figure 5.1 shows the differences in the ways that graduates found jobs at small-medium sized enterprises and at larger employers. Careers services and online advertising via employers' own websites were much more likely to be used in recruitment to larger organisations, and larger employers were also rather more likely to recruit graduates who had previously worked for them. Graduates working for smaller employers were very much more likely to have found their job through personal contacts. This is very consistent with the narrative of smaller businesses being less well-resourced and having fewer links to higher education than larger employers. There are implications, however for a future graduate jobs market in which small-medium sized enterprises may play a larger role. Indeed, those students without the networks to use personal contacts effectively may find themselves at a disadvantage in competing for the diverse opportunities available at smaller companies. More traditional graduate recruitment schemes at large organisations, although often perceived as desirable opportunities, represent only a part of the graduate jobs market. There is an argument to be made that better links between small-medium

sized enterprises and higher education may also aid social mobility by building bridges for all students.

Figure 5.2: How UK-domiciled graduates from 2010/11 first found the graduate level job they were employed in at six months following graduation, by graduate social background (POLAR2)
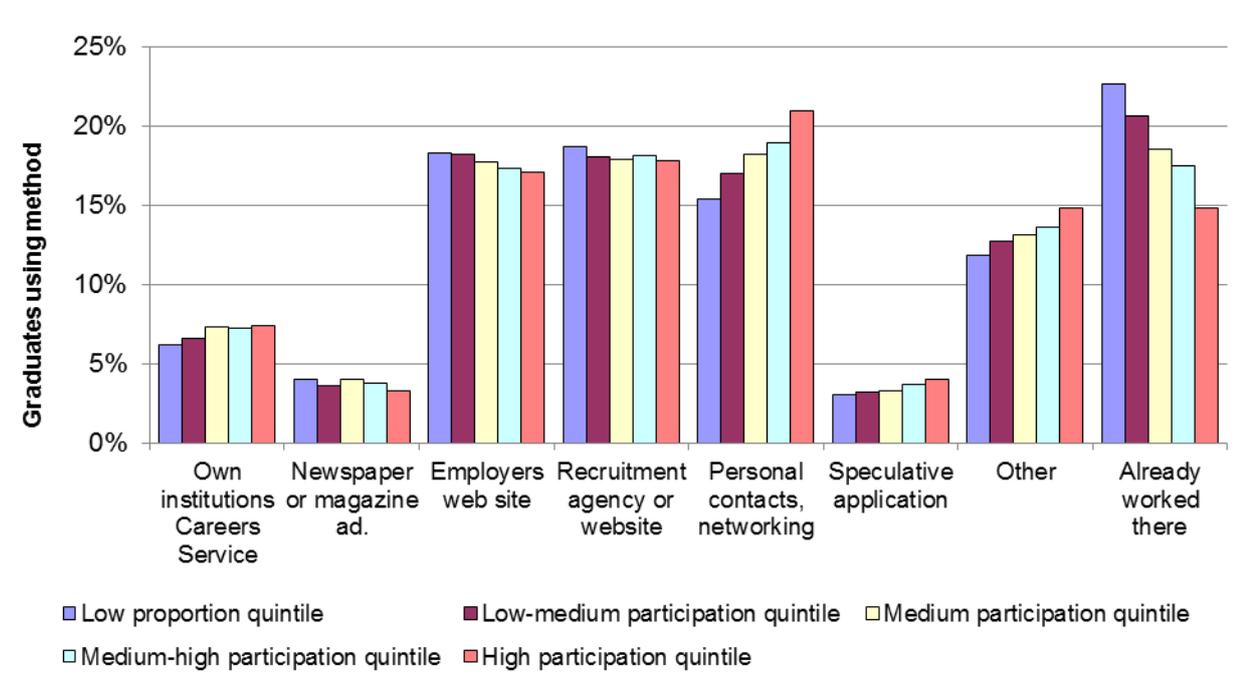
Source: Destination of Leavers from Higher Education surveys, HESA, 2010-11; and HEFCE, POLAR 2 data

The necessity of ensuring that (particularly) small-medium sized enterprises get good access to higher education institutions and so do not need to rely so heavily on personal networks for graduate recruitment is illustrated by Figure 5.2 which examines similar data using the 'POLAR2' classification system of domicile by level of higher education participation used here as a proxy for social background. Graduates who hail from areas with high levels of participation in higher education were more likely to find their first job through their university careers service and through personal networks, than those from areas with lower participation. Those from areas with lower participation were more likely to become employed by a previous employer, often a public sector organisation, or use employer web sites. An implication of this could be that employers who target certain advertising channels may find that they attract a subtly different demographic of applicants depending on their methods.

The existing research literature suggests that targeting of universities undertaken by graduate recruiters may inadvertently affect social mobility of graduates. Earlier research found that many large employers targeted a very limited number of universities in their recruitment efforts, often focusing on 'old' universities in the top 20% of the league tables (Cabinet Office, 2009; Browne, 2010; Hesketh, 2000) where individuals from more advantaged economic backgrounds are more likely to attend. The fresh empirical evidence collected in this study aimed to discover whether this might still be true or could be changing. As addressed later in this chapter, some employers in this study were indeed taking deliberate steps to increase the range and number of universities they targeted.

Indeed the whole matter of targeting institutions to attract graduate talent is an increasingly complex one.

5.3   The extent and nature of employer targeting

5.3.1 Extent of targeting of universities

The rest of the chapter considers the primary research evidence from interviews with employers, careers and employability services and other stakeholders.

The employer interviews suggested that targeting of universities was taking place, as the majority of organisations interviewed (approximately two-thirds) reported that they targeted higher education institutions for graduate recruitment purposes. Among those who did target universities some worked with only a few institutions (no more than 10) whereas others worked with considerably more (up to about 40), however there were also a couple of examples of employers targeting more than 40 institutions. Targeting strategies appeared to vary by size of employer, with a concentration of targeting amongst extra-large employers (more than 1,000 employees). Unsurprisingly it was larger employers who were able to target more universities. Where small employers did target, they tended to work with fewer institutions. In general, whatever the size, those employers interviewed who did target institutions felt this activity was important. Looking more closely at the interview feedback, some large employers targeted specific universities within a broader, universal approach to promoting their employment opportunities to students and graduates.

> 'We recruited from 102 universities, so I think we do have a very high number of universities that we will be looking to recruit from. We actively target around 55 universities, so whilst we do send information to all 130 (I lose track of the amount of universities any more, 135, not far off there) we do send information into what I call the spray and pray publications… so we will be represented at certainly every careers service, but we actively target around 55 universities.' [Extra-large employer]

Within such an approach one employer felt that it was necessary to differentiate systematically and to deploy resources differently among targeted institutions.

> 'The 55 universities that we target are broken down into tiers one to four; tier ones get the most level of attention, tier four still get attention, but the least amount of the level of attention… my recruiters will spend three to four days a week, every week of the year on campus. Obviously that means if you're a Russell Group university, it's pretty likely that there will be a recruiter on your campus at least one day a week. If you're a tier four university, there might be one once a month.' [Extra-large employer]

Some employers interviewed did not target at all but were considering this. There was a view, particularly among smaller companies, that future targeted activities might be likely to enhance their recruitment practices. Small companies that did not generally target appeared to be more likely to consider targeting institutions for a particular purpose, for example, because of a desire to recruit locally.

'We don't. The only situation where we would target particular universities is if we know that we've got an excellent placement opportunity coming up in a particular part of the country because all of the organisations who host our trainees or interns, they have to apply in a similar way to the applicants for the actual programme so the matching process gets very difficult once you get down to location and personal interests'. [Large employer]

One employer suggested that getting involved in targeted activities at universities was unnecessary because '… the last time we advertised we had something like 360 applications' [Medium-sized employer]. Another identified an issue with timing'… because we recruit so early, a lot of Law fairs and things like that really aren't much use to us because we will already have recruited for the year that they may be looking for' [Small employer].

University careers and employability service respondents felt that targeting of higher education institutions had increased since the recession. Targeting was thought to have become more sophisticated and focussed on (reducing) the ratio between applicants and new graduate hires; this was felt by one respondent to result in employers overlooking part-time students, who were looking for developmental rather than new roles.

5.3.2 Nature and effectiveness of targeting

Targeting comprised a range of employer activities with and within universities, including attendance at recruitment fairs and exhibitions, contributing to class-based activities, recruiting student ambassadors to raise the profile of their brand on campus and supporting universities' employability initiatives (see also Chapter 4).

'We also do targeted events at campus in terms of things like skills sessions or presentation. We do targeting generally of universities, we have a target group of around 50 universities we focus on most of all because they represent diversity and they represent quality as well and also the groups we are interested in … '. [Extra-large employer]

'We've supported Birmingham City University and Aston University students quite a lot with some live project work which does help towards their final qualification.' [Extra-large employer]

The employer interviews indicated how many of the organisations monitored the impact of targeting activities. They could claim the proportion of their hires that came via targeted work with institutions and thus could be confident about the impact of targeting higher education institutions on the achievement of their recruitment goals.

'34% come from our target universities for applications and then you're looking at about 66% of our candidates are from our target universities … {and} … it's increasing.' [Medium-sized employer]

'So far this year, we've offered just under 40% from our target universities, those are the offers that we've made. Obviously not all of them accept, but the vast majority do, so it's good comparison between 35% and 40% come from our target universities. That would reflect the application numbers as well, we get a third of applications from those 10 universities alone'. [Extra-large employer]

'We target the hospitality schools and universities, and that will be across a range of different countries, Spain, Switzerland, France, Holland, Germany and so on…we're looking for 20, we will go to 12 schools, so actually it's a very high ratio'. [Extra-large employer]

'Most of the students we would recruit come from the universities that we're specifically present at but, for example, in the last year we recruited trainees from 37 different institutions. It is wider than just those ones that we attend'. [Large employer]

Monitoring was also used to gauge the effectiveness of particular targeted activities or campaigns with specific institutions; such monitoring generated management information which determined the following years' approaches and was key to planning change. Monitoring also enabled employers to make sound judgments about the return on investment (RoI) of targeting alongside other recruitment activities, albeit this information was tinged with a little pragmatism too. The final comment below reveals that systematic monitoring takes place alongside consideration of other relevant but perhaps less formal considerations.

'… because our business is very performance based and everything is measured and tracked. So from a recruiting standpoint …if we're spending time at this university, what's the RoI on that? And that goes on to how many people have you hired? What's the success rate? And everything that we do, online, is also tracked. [I now have] a really good understanding of it and how important it is to really measure what you're doing and what success you have.' [Extra-large employer]

'The way that we look at it is, where have our more quality candidates come from in previous years? …we look at the quality of applications rather than the number of applications …' [Medium-sized employer]

'Yes, as I say, there's a little bit of analysis and stats behind it and there's also a little bit of, we know that it's a good university. If I'm entirely honest, there's not a great science to how we've applied it. We've been successful before. There's probably a bit of affordability – we're not going to spend hours up in Scotland because it's a long way away from where we are. It's location, potentially'. [Extra-large employer]

For most employing organisations the process of targeting appeared to be dynamic and subject to change year on year. This could be influenced by student behaviour, which may in turn have been influenced by actions taken in universities, although one employer below, was cautions about making changes too quickly.

'It may be that we haven't visited a particular university physically in a number of years but if we've started to see an interest from the students and then later we've recruited a couple of people on to schemes, that might set the ball rolling. If we then develop a better relationship with the careers services there, that might mean that that year we'll

then start to attend the Law fair or have a brand ambassador in place. So, it is something that changes; it's not a set list but a combination of those things.' [Large employer]

'…you need to be going to the same institutions year after year, to a certain extent, for it to start having an effect. I think [my company] was in a different place 4 years ago… they were stuck at tracking and changing their universities …they changed their approach every time they saw new campaign data. … And yes, there are certain universities now that we go actually, it's not working for us. We've tried it for three years running and actually, we're still not getting enough quality applications from this university. …So certain universities will probably get the chop.' [Medium-sized employer]

The inter-relationship between recruiters and universities was played out in practice in a variety of ways (see section 5.3.2). For example, a close physical proximity to a university facilitates 'popping in' to contribute to activities and thus leads to those universities being targeted for recruitment.

'It's only five or 10 minute walk away…if we want to make an impact on the campus [we] can very quickly be on campus and giving support and therefore we probably work more closely with [them]… because they come to us and say, we've got some interview skills training that we need to deliver, it would be great for an employer to see that, when are you available to come in, and we are really grateful to be able to agree to those things, diaries permitting.' [Extra-large employer]

Indeed it appears that it is the relationship between universities and employers that was a defining feature of the way targeting was carried out.

Nonetheless, targeting was a very rational process; there had to be a good reason for it to be undertaken; indeed there were often several good reasons.

5.3.3 Rationale for targeting

Resourcing

Employers, university careers advisers and stakeholders expressed the view that employer targeting of HEIs is primarily concerned with utilising limited resources to optimal effect. In particular, employers said that they could never expect to undertake the same level of activity on all campuses and therefore had to make decisions about where to target their advertising budgets.

'We accept openly applications from all universities up and down the UK but within that obviously it's almost impossible for us to be on campus at every university up and down the UK, therefore we do have a number of universities that we target …'. [Extra-large employer]

'Yes, I've got a very small team and a very small budget, but we've got to be effective on how we use it.' [Extra-large employer]

'Over the last five years with the recession, we've had to recruit on a very tight budget, at the lowest cost we could recruit for really. So we've had to be a little bit creative in how we do that… Well it's just led to me going direct to the universities really, and cutting out the middlemen and raising our profile with each one through that.' [Large employer]

Location

A very strong rationale for targeting particular HEIs relates to their location in the UK. Many employers described building relationships with universities because they were local and thought likely to be able to supply graduates who wanted to remain in the area/region. Many of the employers interviewed looked to their local university in the first instance. Perhaps due to the pre-eminence of London and the South East of England as a source of graduate employment, many employers cited London universities as targets:

'Historically, what I've done in the last two years is that I've gone directly to universities in and around London and I've spoken to their careers team and the academic leads, where possible, and I've obviously let them know the opportunities we've got available, the type of people we're looking for.' [Large employer]

'Because we're spread geographically across 20 different offices, it tends to be quite locally driven. Say, for example, we've got an office in Scotland, we have a lot of interest within universities in Scotland because they drive those markets, they feed those offices.' [Extra-large employer]

For many employers the location of the university was an important consideration juxtaposed alongside others such as subject discipline/specialism. But for employers located in areas without a university nearby, there was real dilemma about how contacts with universities could be made and whether, particularly for small-medium sized enterprises, the establishment of such contacts would be worth the time invested in doing so.

'No, we're not really close enough. Our view would be that for a small local firm, we're more likely to pick up graduates who return home after college, rather than going round the various colleges and their graduate days. …I'm not sure it would be worth the investment, going to a university for a day, or two days, and seeing whether there's anybody who happens to have gone to Kent University, who happens to live within four or five, or 10 miles of our business …it's a little bit of a long shot for us.' [Small employer]

An interesting aspect of some employers' comments about targeting on the basis of locality, is that there tends to be less emphasis placed on the type of institution: ' …we have Southampton University, we have Portsmouth University, Bournemouth but particularly Southampton and Portsmouth have got excellent language departments and we wanted to work closely with them if we could'. [Small employer]; and more emphasis placed upon what the universities offer. For others, location meant a particular type of university: '…if I didn't go to Warwick, I didn't get them from Warwick, I'd probably look at Manchester, any of those kind of what I would call that kind of top group or top flight of universities' [Small employer]

For some, location was a future-facing consideration, where premises were planned for other regions and even countries. For one employer, the location of targeted institutions was global because for the specialist area recruited to, the professorial expertise in the university where students studied was a key component in deciding the suitability of applicants.

> '…so, if someone said, I did my PhD at Harvard, but actually, we thought the lab they did it in, we didn't rate, that wouldn't get them in. So, it's not because it's Harvard or because it's Heidelberg or Imperial, it's whose lab at those particular universities, actually did the work.' [Large employer]

Subject specialism or reputation

Amongst employers surveyed, the subject of study was often referred to as the major reason for targeting specific HEIs, and institutions' perceived reputations in particular disciplines drove approaches to targeting and relationship-building. However, the extent to which a particular degree is a necessary pre-requisite varies by occupation and arguably sector. An interesting question is how do employers, particularly those new to graduate recruitment, know which universities offer courses that might be of interest? And further, how do employers who reported the need to target different institutions to achieve the right mix of skills and knowledge relevant for different types of jobs and graduate training schemes identify which universities to work with?

> 'If we're looking for a specific skill set, like we are at the moment with Project Management Office, and the university has a project management specific course, like the University of Hertfordshire does a Master's level, that's something that's going to be of interest, so I will focus more on skill sets than the university itself.' [Large employer]

> '…I know that Recruitment has become a degree course, but what I couldn't tell you is where that course is being run and that and that's part of the scheme moving forward here, to develop our knowledge of that sort of stuff so that actually we could potentially target a handful of universities who either run that course specifically or specific perhaps human resources courses that would also align fairly well to this job.' [Large employer]

> 'Yes it's course driven and the two other things [location and interest] flow from it. There's no point in us going to Oxford or Cambridge because students are not doing the right courses to enter our industry.' [Extra-large employer]

Many graduate employers recruit graduates of any discipline, requiring graduate level skills rather than particular subject specialisms. It is arguably more difficult for these employers to select institutions to target than those requiring specific subjects. Employers also seek 'soft' skills: '…it is very much around talent-spotting and spotting talent at these individual places and finding candidates that have not just got the right skills and the right aptitudes, but have got the right mind-set and cultural fit for us.' [Extra-large employer]; and appear to rely on prior experience of working with universities to find out where suitable candidates might be studying. Institutions where 'the students turn up and they're prepared and they're really engaged, so those are the universities that we go back to, or they come to us or we go to them.' [Large employer]

Diversity of student population

Some employers interviewed aimed to diversify their workforce and adopted strategies to target particular types of institution within the overall objective of recruiting the best candidates for the job role. This included targeting institutions from whom typically fewer applications had been received and also included making assumptions about the nature of students attending universities that required lower level 3 achievements on entry. There remains a strong sense of hierarchy within the higher education sector reflected by comments from employers about universities' position in 'league tables'.

One respondent reported a particular concern to target institutions in order to increase the number of applicants from black and minority ethnic groups and found it raised another issue.

> '… we tend to target the next tier of universities, mainly because we had a problem getting BME [black and minority ethic] applicants, so we targeted, specifically, colleges with high BME mixes …'

For another, there was a sense of targeting particular institutions to combat local issues and retain graduates in the local economy.

> 'It's predominantly to do with high unemployment rates that exist within Birmingham. We have one of the highest in the country so we need to be tackling that, so that, local jobs for local people. In terms of the universities it's the thought there is much more around retaining the local talent within the city rather than it's going to Manchester or London. Yes, so it's about how do we keep hold of that talent?' [Extra-large employer]

> 'We are very keen to work with local universities because we felt we wanted to give something back to the local community.' [Small employer]

Raising visibility of the employer brand

An obvious reason for targeting particular universities is to have an impact on the volume and quality of applications by managing the visibility of their brand: ' …it's very much about engaging the students, getting them to understand what it is we do and the opportunities we offer.' [Medium-sized employer]

For some employers, particularly large, well-known ones, targeting helped to stimulate too many applications and there had been some pulling back from work with universities: ' … we stopped doing that simply because we didn't need to because the volume of candidates who were getting through was far in excessive of what we needed' [Extra-large employer]. For smaller organisations, there is concern to get out a message that says to applicants that small-medium sized enterprises have much to offer: ' …that there are big companies out there, that you can be a cog in their big, great graduate scheme, or you can come and work for a company like [ours] that will give you much better experience and you can learn a lot more from…' [Medium-sized employer]

For some employers, raising their profile has been a long-standing issue, and for others, the introduction of new processes or activities required re-branding in order to remain in the competition to attract graduate talent.

'We've been here for over 20 years on this site and lots of people don't realise there's an aerospace company [here]. So that's one of the reasons why I have tried to raise our profile with the universities.' [Large employer]

'With [subject], because we're quite new to this, and we have massive competition from [another organisation], where they go and do their placements, so it's very difficult for us to actually get in, and we've made big strides in the past year in terms of getting people along to presentations, and talking to them and we've more work to do on that really.' [Extra-large employer]

Reputation

The development and use of league tables features on the rationale for targeting particular institutions. In addition to, or instead of, using self-collected data, some employers reported the use of externally produced, league tables or ranking systems to differentiate which institutions to target. League tables generate a good deal of interest amongst the general public and thus are likely to influence students' choice of institution – employers are aware of this – employers may be no less influenced by claims that particular higher education institutions (or departments within) are 'the best' for particular subjects. League tables are often compiled using nationally collected data based on, for example, research outcomes, student attributes, student satisfaction and graduates' rates of obtaining employment or training beyond higher education. Some league tables are created by the media or following regular or intermittent research amongst students, graduates and employers; others are derived from competitions and awards. Universities thus generate a reputation (or more than one reputation) for having a marketable expertise and by promoting themselves (or being promoted) in light of that.

However, whilst aware of reputation, employers also reported that league table position would not necessarily affect their selection of institutions to target because other features of the student experience are taken into account.

'Yes, it's driven by subjects but obviously we look at which are the best universities. We look at league tables, what they're doing, where people are going to, things like that. But actually we are more concerned with the experience that people are getting from those courses, and one of the main things that we're looking for is not just the academic aspects but are people doing sandwich degrees, are they getting a year's internship somewhere.' [Medium-sized employer]

'Yes, redbrick. We do target those … the really good HR [human resources] business schools, and we've looked at our own stats of where the really high performance has come from and use that as well to add to the list, but to be honest with you it's mainly redbricks.' [Extra-large employer]

One employer reported an attempt to build a relationship with a university that was not a 'league-topper' and which was known to have a more diverse student population, and found that there was not a good response from students. This raised questions about whether students and universities have prior expectations about the types of employers who normally target them and emphasises that institutions' reputations (and targeting relationships based upon them) are built up over time. The notion of reputation is

pervasive and appears to be based on both hard evidence and anecdote. Some employers took reputation with a pinch of salt.

'…so it's not that we have a hard and fast rule that actually we're only going to go to 12 of the Russell Group universities and that's going to be our only activity during the year. It's much more organic than that, and it develops, I think, through relationships that you make with faculty members, with career service members, and we're very keen to take or make the most of opportunities if they present themselves to us.' [Large employer]

University careers and employability service interviewees confirmed that institutional reputation does drive (some) employer behaviour and some described their university as one 'that is targeted' and others were acutely aware that their university was not. Some employers were considered 'out of reach' to institutions outside the Russell Group of research-intensive universities because of targeting, and there was some concern that this strategy risked employers not getting to the right candidates. The notion of reputation was felt to be carried forward by alumni. Careers advisers commented that where employers' relationships with universities were founded on the perceptions of former students (now employees), or having been a student themselves, beliefs about reputation could become highly subjective.

5.4   Developing university-employer relationships

5.4.1   Beginning earlier, working with pre-higher education institutions

Many employers said they wanted to develop better relationships with universities and some felt that starting relationship-building early with pre-higher education institutions could be beneficial in helping to develop future talent, and at the same time contribute to corporate social responsibility (CSR) initiatives (see also Chapter 4 where this is covered in greater detail).

5.4.2   Working with university careers and employability services

Relationships between employers and university careers and employability services were influenced by a number of factors including: timing of employers' recruitment activity, employer needs, geographic location and proximity, university resources and charging policies, and perceived accessibility of careers services and level of expertise (compared with academic staff). There were numerous examples of positive and mutually beneficial relationships formed over several years.

The careers and employability service (CES) stakeholder interviewed confirmed a trend among employers to engage with universities earlier within the degree. A strong view emerged that career services in universities that were not specifically targeted by graduate recruiters had to develop more innovative strategies to bring their students and graduates to the notice of employers.

It is interesting to note, that much employer activity is perceived to be aimed at courting the interest of potential talent (a supply-side issue) and at the same time, a view that student/graduates' attributes must be strenuously promoted to employers (a demand-side issue). That these apparently contradictory drivers co-exist, may be explained by different practices amongst employers of different sizes, belonging to different industries and

sectors or being located in different parts of the UK. The spread of graduate opportunities is by no means homogenous across the UK. For example, a careers adviser indicated that it is relatively easy for a graduate to achieve a job in engineering in Aberdeen as there are far more engineering recruiters and vacancies than in, for example, Birmingham; it is more likely that a graduate will achieve a goal of a job in financial services in London than in almost any major conurbation, etc. Contradictory drivers and differential support of graduate recruiters may also be a consequence of careers and employability services' own level of resource. One institution reported having too few staff to build relationships with employers; others reported having teams of specialist placement and employment advisers ready to respond to requests and develop close working relationships.

Some of the employers interviewed enjoyed strong relationships with careers and employability services and were able to access potential applicants through targeted emails sent on their behalf by the university, or contribute to employability awards and sessions, discuss (and help design) course content with academic staff, etc., but others were frustrated by difficulties in accessing university staff or not being welcomed.

Careers and employability service stakeholders felt there were big differences in the kinds of demands placed on institutions by large companies and small-medium sized enterprises - the former operating on an annual basis, using marketing budgets; and the latter recruiting on a more ad-hoc basis and often with little or no resources. Large companies' needs were seen to focus on filtering out large volumes of applicants; small-medium sized enterprises were more concerned with attracting applicants but in both cases what was needed were applicants that were suitable and talented. However, that distinction did not appear to be made by employers, most of whom focussed activities on attracting high quality applicants.

Managing relationships was hugely affected by careers and employability services' staffing levels and whilst employers understood that institutions' methods of resourcing careers services varied, it did not alleviate frustration with it. Employers also understood the pressure that universities are under to ensure that rates of employment remained strong.

'One of the things I've noticed that has changed a lot in the last three or four years is the amount of demand we're getting from career services, and that's not necessarily from new universities, as such. There is that too, but universities that we work with are wanting employers to come on to site to do more and more things, just to try and improve students' chances of employment, because I guess they are all focussed on that now.' [Extra-large employer]

Of particular concern to several employers was the fact that universities charge employers for services aimed at connecting students with recruiters, such as emailing. This issue may be related to the lack of resources for careers and employability services in some universities mentioned earlier.

'Yes, as an employer, you have to pay to reach students, you have to pay to do sessions, you have to pay to this and this and this, and there are a lot of barriers or hurdles that employers need to jump through to get access to the students.' [Large employer]

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Other employers felt that they were well supported by career services and actively sought their advice; although, in one university where a department had its own careers adviser, there was a concern that this might disadvantage students in other universities where this was not the case.

'I think universities and the careers advisers are very good at just doing that naturally, coming back and saying oh, have you thought about advertising on this place, or their Twitter feed, and that kind of thing, which I don't have access to.' [Large employer]

'Well I must say, they help us a lot really in terms of how we target the students, how we communicate with them ... you know, they're not emailing their candidate databases anymore because they don't respond, whereas they're using their social media channels and getting a much higher response from them. So already seeing that trend before we adopted it, things like that are priceless really. Again, they are the voice of their students.' [Extra-large employer]

'For instance, [university department] have their own careers adviser and he's great and he very much preps his students and so he knows what we're going to ask them, and so we changed things this year, and we're not giving them that advice, so they're not going to be saying, we look for these skills, because we just don't think it's very fair, compared with other universities, even though we work quite well with them.' [Extra-large employer]

Careers and employability services were frequently referred to as organisers of employers' access to students – providing help with room bookings, advising on faculty staff members and course content, organising events, etc. and were seen as a conduit to other university staff and services. However, employers' experience of careers and employability services appeared uneven and some preferred to make approaches direct to faculty staff and to focus relationship-building on courses of particular interest. One argued that the careers services were ' …obviously incredibly busy, incredibly stretched, but it just all seems a bit too rigid in terms of how they operate …there are examples of excellence, I think, of certain institutions, but the career services don't seem to me to be a facilitator' [Large employer]. The unevenness of careers and employability services provision across the higher education sector appeared to affect the relationship between employers and careers staff as resourcing affects the amount of time that careers staff can devote to any one business: 'I think it really does depend on …how often you speak to them and things like that, and what kind of personal relationship you might have as a recruiter with certain people from the career services. I find it sometimes quite frustrating, I have to say.' [Medium-sized employer].

5.4.3 University-employer interaction

That the careers and employability service in most institutions is the focal point of university-business working is arguably a consequence of graduate employability being a key performance indicator for universities. However, businesses collaborate with institutions on a wide range of levels, including research and development and employer-university relationships may grow in a web-like as much as linear fashion with the careers and employability service providing a 'brokering' or networking function.

'It started out because when we started investigating the move to Liverpool, we worked very closely with Liverpool Vision and they put us in touch with [an individual], actually a graduate from [university], who then naturally introduced us to the Management School, because they have a business agility centre.' [Small employer]

One employer argued for career services to provide employers with more of a steer about what students would like to find out in the sessions they provide. Another had engaged with institutions to find out information about what students are looking for in their first roles, graduate schemes, reward packages and career development which suggested an appetite for far more interaction: '….I don't necessarily feel like I'm getting enough from the career services. I feel like I have to … I'm the one bringing the innovation to campus, necessarily, so I'll be the one thinking about, … what do students want to see? … from having spoken to students directly rather than hearing it from the career services.' [Medium-sized employer].

The employers interviewed were involved in a very long list of student-facing activities on and off campus that included: coffee and career chat drop in sessions; help with CVs and cover letter writing; interview preparation; talks about the business/industry; business competitions and games and establishment of student clubs. As might be expected employers visited institutions to exhibit at general and subject-specific career fairs; managed websites providing information about their company; provided work-based projects to particular courses; sponsored PhD studentships and sports teams; involved alumni in re-visiting 'old' institutions; recruited student ambassadors to provide peer-to-peer information on job opportunities; encouraged staff volunteers to build relationships with universities; provided workplace mentors and delivered 'master' classes on state-of-the-art processes and practices. Employers also supported the development of entrepreneurialism in students and graduates and contributed to 'speed dating' events for students to meet employers as well as used social media. Employers contributed to the curricular work of universities by attendance at industry boards and validation events and in one case had co-designed a course in collaboration with two institutions, following a process of open tendering for the project. Clearly the provision of work placements is not the only form of university-business interaction (see Chapter 4 for other employer recruitment activity and Chapter 7 for a more detailed discussion of work placements).

Despite fears expressed by some careers and employability services stakeholders, employers did not always choose to focus relationship building on Russell Group (or any other specific type of) institutions and were open to applicants from all types of institution. One had put in place a mechanism to communicate with students at universities not visited for other purposes; another focussed on subject-related activities:

'If we don't come to – I don't know –[University] to do a careers fair with you that's not because we're not interested in you as a student, it's just because we don't have the resources to do that, so on a Wednesday we have on Facebook an hour where someone from the team will be on hand to create a virtual careers fair, so they'll answer any questions, give any advice around applications, programmes, whatever it might be.' [Large employer]

'As many as we possibly can, so we're not snobbish at all – it's not an elitist thing, but obviously there are only so many careers fairs we can go to in a day …it's just we try and do as much as we can at as many universities as we can.' [Large employer]

'… if they don't have an engineering faculty then we wouldn't do it and there are a lot of careers fairs, for example, that are just general careers fairs, and we don't tend to find they work as well for us because we just meet too many students who have studied non-relevant subjects, so we tend only to go to universities where they have a specific engineering fair because that just makes it more targeted – obviously.' [Large employer]

5.4.4 Importance of local initiatives

Careers and employability stakeholders reported working closely with all types of employer – from those listed in the Times Top 100, to the smallest, micro business. Several interviewees were significantly involved in delivering institutional employability awards with the active support of employer partners.

These careers staff felt that the transition from higher education into employment is challenging and should also be supported by efforts to make students 'work ready' and able to respond positively to the demands of employment. There was concern amongst some university staff that some students knew their institution was not targeted by (some or any) employers and that this had an adverse impact on their self-esteem and raised the risk of entering the labour market in non-graduate jobs. This had contributed to the development of specific initiatives aimed at supporting students from 'widening participation' backgrounds and provision of mentoring support for students from black and minority ethnic communities. One careers and employability service stakeholder suggested that it was frustrating to see employers 'showcasing' the careers of recent recruits who had attended very different institutions and who had experienced very different social backgrounds and that rather than raising aspirations, this could reinforce notions that some jobs were 'not for them'. Some felt that students' conceptions of occupational hierarchy were already very well-established long before entry to higher education and that local business-university collaborations would be particularly beneficial for students who did not enjoy wide social networks. One particular group of students – part time and mature students – were considered to be in greatest need of locally-based employment opportunities.

One stakeholder suggested that the relationship building must be a two-way process; with employers targeting institutions/courses in line with their needs, and careers and employability services targeting employers with whom students aspired to work because this is what is both expected and required. Such a strategy emphasises the need for coordination of approaches to employers, especially in areas of dense higher education participation. Inter-institutional cooperation was suggested as a way of developing stronger employer-university ties, but concern remained that employability league tables would still drive competitiveness between universities, and that it is in particularly highly-targeted institutions' best interests to maintain competitive advantage over others.

Relationships are time-consuming to establish and maintain and as reported above the employers interviewed had a preference for fewer rather than more institutions to target. An overview of the employer interview sample indicated that recruiters of larger numbers of graduates were more likely to target their relationship building than those recruiting smaller numbers (this corresponds with evidence from the Association of Graduate Recruiters membership surveys, see evidence annexe). As it is likely that smaller employers are more local to universities and larger employers more likely to operate on a national (or international) basis then there is arguably a greater need for universities to

establish effective working relationships with small-medium sized enterprises as these companies are less likely to reach out to them. The extent of targeting institutions also appeared to be influenced by industrial sector with employers in energy, utilities, and agriculture, and hospitality, leisure services and sport, appearing more likely to target their relationship building than employers in the creative sector.

5.4.5 University perspectives on employer engagement

Employers' engagement with universities is extensive and it is set within a changing context in which universities play an increasingly important role in supporting the employability of students and graduates. The past four years in higher education have seen some major changes to policy, funding and structure. Change has intensified the focus on employability and collaboration with business and industry to prepare students for employment. For example, employability statements were included on the Unistats website for 2011/12 entrants to higher education, highlighting the support available to develop students' employability. In 2012, Key Information Sets were launched on each institution's website for every undergraduate course offered and included employment data from the Destinations of Leavers from Higher Education survey. Institutions have therefore been invested in trying to improve their graduate employment rates in order to help recruit new students as well as satisfy key performance indicators on graduate employability.

In 2011, the Association of Graduate Careers Advisory Services (AGCAS, 2011)) predicted that by 2015, almost all universities in the UK would have developed their own employability award. At the time of their survey, the Association's Award Task Group found that the driving force behind the development of employability awards was the careers service in that institution and that in 67% of cases, the award was also run by the careers service. In around half of the institutions with an employability award, employers were reported to endorse it but rather fewer (22%) were reported to sponsor it.

The involvement of recent graduates (and alumni) in the recruitment process appears to have considerable prominence in recruitment strategies (see also Chapter 4).

'Yes they [recent graduate hires] do, and actually we've had some examples of individual trainees being the driving force behind developing a new relationship with a particular institution, so we've never really done anything with Surrey in the past, but one of our trainees who joined last year was from Surrey, wanted to do something with them, arranged that directly with the career service, and then I went down with him and we ran two back-to-back sessions over an afternoon, and actually, it's generated a huge number of applications, with some of those being successful securing placements on our schemes.' [Large employer]

'There is no doubt that having people who are recent graduates is consistently very important as a way of engaging as giving people role models to target and aim for in terms of their own career so absolutely very important.' [Extra-large employer]

'If all the old blokes like me do it, it just gets terribly boring, so we try and make sure that they're as involved as possible because, again we want them to follow through and to give us the continuity of the standard that we expect.' [Extra-large employer]

There is a view that the best people to speak to current students are recent student peers, '…the thing that gets people excited is meeting their peers …' [Extra-large employer]; although occasionally, the involvement of peers could be counter-productive. One careers service stakeholder described an initiative taken by one employer who recruited campus ambassadors who were required to wear purple leotards. The ambassadors quickly became known around campus as the 'blueberries' and it was felt that the purple imagery eclipsed the brand it aimed to promote.

For some universities, there is a crucial period in between students applying for and beginning jobs - when students change their plans employers can lose applicants; this is a particular issue for students who have been out of university on a year-long placement (or internship) and return to university with a job offer for the following year. One response to this by employers was to ask recent interns to become ambassadors for their brand; as one careers and employability services stakeholder noted '… they talk the same language as students'. The importance to the university of being able to establish personal relationships with employers was referred to in several contexts, and one career service staff member captured this as '… people buy people, don't they?' and suggested that something deeper than engagement with employers, perhaps more akin to personal rapport, is required to be established by universities.

5.5   Plans for change

Several employers planned changes in their engagement with universities:

- Becoming more focussed and targeting their efforts with more precision:

  'We've engaged far less in the past two years, and that's simply from a budgetary perspective, and {now we are} wanting to have, kind of, better engagement with a select few, rather than spreading too thinly across many.' [Extra-large employer];

  'I think the problem last year was that we went too wide and not focussed enough' [Extra-large employer]

  'If they've [employers] got a target university they won't just do a careers fair, they'll engage with the academic departments. They'll look at societies they can build relationships with. They'll look at individual academics they might be able to build relationships with. … So they'll look at doing more with fewer universities.' [Small employer]

  '…if we're going to shift our schemes into a corporate scheme and a technical scheme, we'll probably target more directly the universities that will provide our technical candidates for us because it's a very specific candidate we're looking for, and we'll probably be more generic in our approach to our corporate schemes, and we probably will look at utilising more of an alumni network, as opposed to my team going out and doing that…. probably building up relationships with their old universities.' [Extra-large employer]

- Having a more consistent approach. Indeed increased focus and targeting did not mean engagement with fewer institutions in all cases; and some employers argued for

being consistent in their future approach to universities whilst at the same time adapting to change within their business:

'Because what they [universities] won't want is for somebody to come along, invest a lot of time in a relationship, and six months later turn it off, and then want to turn it back on 18 months later. They'll just want something that's consistent.' [Large employer]

'We don't dip in and out of recruiting, do it on a two year basis then disappear and then come back, so I don't think there would be any wide scale, fundamental change. But if you've got in mind that engineering, let's say, was going to double, then you'd think, that's a big thing, we need to think about that, and so maybe you would make more of an effort with the undergraduates as they start those courses.' [Extra-large employer]

- Using data to make decisions about changes:

'How it's [university engagement] grown is through data, so at the end of each cycle each year we'll look at data as to where we seem to have a healthy level of interest and we're not there, we might think, okay, maybe we should go there. … We didn't go to Ireland until a couple of years ago, and then we noticed that loads of Irish people were going to and getting through the assessment centres, so we started to go to them, so we are trying to use data to grow that.' [Extra-large employer]

- Changing the method of engagement. Some employers anticipated placing more effort into digital methods of communication with universities and students by building online communities and holding online events alongside face-to-face events. Conversely other employers wanted to draw closer to faculty members or specific courses:

'What I'd like to do is establish relationships with faculties and the career services, whatever they are called, but it's something that I haven't explored yet; it's been in the back of my mind for two years but I've been procrastinating. I've been procrastinating because I don't know how to do it, but I'll find someone for …otherwise I'll have to get on with it.' [Large employer]

'We don't have any solid relationships as such. I'd like to, potentially work with universities, particularly with language schools, because we offer an international opportunity where people will be able to use the languages. So for me, that's something we absolutely do need to do.' [Medium-sized employer]

- Improving understanding of university employability provision. Some employers wanted to better understand what universities are doing to support students' employability, as this would help them to know where best to focus their attention:

'We at the moment, I think, have a lack of understanding of the level of focus at universities on employability, so we aren't aware actually, how many universities directly involve – that all graduates go to the employability workshop that they run, or do they all get to do mock interviews, do they all have a module that actually enables

them to think about their careers. In a realistic manner, I guess, and do some real core development, analysis and reflection, to enable them to be successful having left university. Because with that, I think they'd be more successful in terms of moving into positions, and obviously finding the right career for them. I don't know what the directions are on universities at the moment, and what push they have from government, to say they must do something versus something else.' [Extra-large employer]

- Engaging earlier or making a start to work with universities. Others anticipated bringing forward their engagement with universities to target students in the first and second year, where previously their focus was upon finalists. Some wanted to develop a profile with universities because it is currently '….virtually non-existent. So we know we need to do that work'. [Extra-large employer]

5.6   Key points: employer engagement with universities

- Employer engagement with universities was manifest in a wide range of activities but with varying intensity between employers.

- Higher education institutions were selected for engagement for a variety of reasons, key amongst these were the subjects offered, location, general reputation and an assessment of the return on investment necessary. Employers targeted institutions because they were (generally) unable to resource activities on all campuses. In virtually all cases employers were happy to receive applications from any institution, so targeting did not prevent students elsewhere from applying. It was not the case that employers in this study focused most of their effort on institutions with the highest academic reputations. Where Russell Group or other 'high prestige' institutions were targeted, other types of university were also usually included in the mix. One issue that emerged was that some employers found it difficult to know which institutions to build relationships with. There was a likelihood that the development of a mechanism to enable employers to find out more about where particular courses are provided, would be beneficial, particularly for the smaller businesses with less resources to build on-campus collaborations.

- Employers spoke of the need to target graduates to find 'talent' (itself a contested term) and some aimed to deliberately diversify the nature of talent in their businesses.

- Much of the pre-university activities undertaken by employers in schools and colleges were aimed at raising the profile of occupations, their sector or type of business rather than to begin recruiting earlier in the 'pipeline'. These activities therefore contributed significantly to their corporate social responsibility (CSR).

- A view emerged that universities which were not targeted by employers had to work harder and in more innovative ways to attract the interest of potential employers.

- Of concern to many employers was the uneven resourcing of university careers services and their shortages of resources, given their key strategic role as 'gate-keeper' in the employer-university relationship. Some employers did not think it

appropriate that universities should expect significant payments for their presence on campus.

- The requirements of the local labour market impacted upon relationships and getting the balance right between establishing relationships with local (and often smaller) businesses and national or international (often larger) businesses appeared to remain a challenge for some universities.

- Employer-university relationships that were successful were often born out of personal contacts and evolved into webs of relationships over time, rather than simply one-to-one between recruiter and one member of university staff.

- Targeting was thought to be a two way process with employers targeting universities and vice versa – this was thought to exacerbate issues of coordination where several members of the same institution might be approaching the same employer. Nonetheless there remained a strong thirst to build relationships.

- Employers planning to make changes to their engagement with universities were seeking to develop more focussed, data-led relationships; data in this case being information about what had worked before and what might be most likely to be able to respond to emerging demands of the business.

6 Selection

6.1 Introduction

This chapter presents an overview of the process followed and the methods used by the employers interviewed as part of this research, in shortlisting and selecting graduates who had formally applied for a particular vacancy and who they wished to hire as trainees or as employees. For the purposes of this research, the various phases of the selection process have been grouped into three separate stages.

1. First screening/selection stage

- This is where prospective candidates formally applied for an advertised vacancy. This was usually done remotely, through an online platform or via email. Applications were screened by an employer on the basis of any essential eligibility criteria.

- For written applications in the form of an online application form or a CV and covering letter, employers might also score or judge applications against a preconceived competency/strength-based framework.

- Written applications were also typically assessed on the basis of how well a candidate was able to articulate their motivations for wanting to work for the company in question and how they saw themselves developing within the role.

2. Intermediate selection stage

- Intermediate stages of selection refers to any subsequent selection activities that a candidate participated in after they had formally applied for a particular position, which were not used to mainly inform an employer's final recruitment decision.

- These were generally used to gather further 'hard' and 'soft' evidence from candidates, as well as providing the candidates with more detailed information about the position/scheme and the company in question.

- The dual purpose of this stage was to continue to reduce the volume of applications that the employer had to consider and to ensure that the 'right' candidates (ie those with the appropriate skills and motivation to work for the company in a particular role) got through to the latter stages of selection.

- Again, activities at this stage of selection were typically conducted remotely, via an online platform and/or by telephone.

3. Final selection stage

- The final selection stage refers to those activities that took place at the end of the selection process. The processes followed at this stage would largely inform an employer's decision as to who they would recruit from a final shortlist of candidates derived from the culmination of selection activities so far undertaken.

- The selection methods utilised at this stage were designed to gather more in-depth evidence on the range of skills, behaviours and experience a candidate had been able to demonstrate.

- These final selection activities, which normally comprised a face-to-face interview or a formal assessment day, would require candidates to attend a specified venue and meet staff from the organisation in person; candidates were typically assessed on the basis of their on-the-day performance.

The format of the methods that comprised each of these separate stages, how they were used, the rationale(s) behind their use, as well as the reasons underpinning any recent changes in employer's selection practices are considered in detail in the main body of this chapter. A summary of the key findings and most widespread changes taking place in employer practices is provided at the end.

This will follow a review of the relevant research literature and national survey data, as well as an overview of the combination of selection techniques used by the employers that participated in this research and the sequencing of these within the selection process.

6.2   Setting the scene

A review of literature focused on selection methods used in graduate recruitment found relatively little evidence available about the most recent trends in selection practices used by employers, and particularly a lack of academic literature on the subject. In this respect, the most up-to-date evidence derives mainly from surveys of large employers (eg AGR, 2013) which, although insightful, are not likely to be representative of the full diversity of the graduate employment landscape. However the literature pointed to several trends or themes in selection methods over the years:

- In terms of screening, findings from previous research undertaken in the 1990s and 2000s through large-scale surveys of employers, emphasised that virtually all organisations surveyed carried out an initial pre-selection on the basis of application forms; although approximately only one half had application forms designed specifically for graduates. The use of references for pre-selection was not particularly common (Keenan, 1995; Branine, 2008). The Association of Graduate Recruiters membership survey indicates that over one quarter of employers are now using online self-selection tools, whereby potential candidates can screen themselves out against set criteria (see evidence annexe, Table 6.27)

- In the 1990s it was fairly common, particularly among large-scale graduate recruiters, to conduct screening interviews through the traditional 'milkround' (Keenan, 1995). However by the 2000s this method had fallen out of favour (Connor et al, 2003; Branine, 2008), and the latest Association of Graduate Recruiters survey indicates that approximately only one in ten employers conduct first round interviews on campus (see evidence annexe, Table 6.27).

- The Association of Graduate Recruiters membership survey (Winter Survey, AGR, , 2013b), focused on large organisations, found that 99% of firms recruited graduates

through online application forms. The survey also showed that telephone interviews were becoming increasingly popular as a pre-screening method, used by 53% of employers surveyed although mainly large employers, (although their use fell slightly in the 2014 survey), whereas video interviews which first appeared in the survey in 2012 seem to be increasingly popular (see evidence annexe, Table 6.27)

- Moving from the 1990s to the 2000s, interviews remained the most common method for employers to make their final selection. It still appears to be the component that carries the most weight in employers' final recruitment decisions, due to the two-way interaction it offers and for its ability to fill gaps and validate information provided by the candidates at the application stage (Keenan, 1995; Branine, 2008). This suggests that decisions on recruitment are still, to a large extent, subjective in nature. This may have social mobility implications as it might put at an advantage those candidates with greater confidence and inter-personal skills, which are disproportionately likely to come from more privileged socio-economic backgrounds.

- The use of assessment centres gained in popularity over time, especially among large graduate recruiters (Purcell et al, 2002; Branine, 2008; AGR, 2013a), and the Association of Graduate Recruiters survey shows they are used by almost all of their member organisations in their selection processes (84%, see evidence annexe Table 6.27). This has not been without its criticism. For example, Connor et al (2003) pointed out how the extensive use of assessment centres by recruiters might lead to an over-focus on analytical and communication skills, but not be particularly useful to understand applicants' leadership potential, personal motivation and inter-relational capacities.

- A variety of tests appeared to be used in assessment centres or at intermediate selection stages. These were namely: aptitude tests, psychometric and personality tests, as well as group discussions and problem-solving exercises. These different types of tests were equally popular amongst recruiters, even though the validity of such tests has been called into question (see Hunter and Hunter, 1984; Garavan and Morley, 1998). The Association of Graduate Recruiters survey shows how two thirds of their members use psychometric tests and their use has been gradually increasing over time (see evidence annexe, Table 6.27). The survey indicates that numeric reasoning and verbal reasoning were the most popular tests used in selection. Less commonly employers used personality or interest tests, situational judgement tests, or abstract reasoning tests. Very few used spatial reasoning tests or mechanical reasoning tests (see evidence annexe, Figure 6.2)

- Overall, competency-based approaches to selection (Dubois and Rothwell, 2004) appeared to be gaining popularity at the beginning of the 2000s as a method to test the possession of generic, transferable and demonstrable skills in candidates (Purcell et al, 2002; Raybould and Sheedy, 2005). Evidence of key competencies could either be tested through application forms or at interview stages. Competency-based approaches were viewed positively in terms of removing potential bias and thus increasing diversity in the applicant pool as they focused on candidates' demonstrable skills and attributes, rather than on educational credentials and other observable characteristics (Purcell et al, 2002). However this would depend on whether the types

of required competences are shaped on the basis of the profiles of previous 'traditional' graduates, and thus likely to favour candidates from traditional, socio-economically advantaged background.

- Whilst competency-based approaches to selection appeared to be still the most widespread, some recent developments in the Human Resources practitioners' literature suggest that 'strengths-based' recruitment, more focused on assessing candidates' future potential rather than demonstrable performance, may be gaining popularity instead in some organisations (The HR Zone, 2012).

It was clear from the research literature that one of the most consistent factors in determining the nature of an employer's graduate selection practices was the size of the company. This shows how the growth of firms is linked to the standardisation of their human resource management practices (Kotey and Slade, 2005 cited in Barrett and Mayson, 2007). For example smaller companies tend to rely more on the intuitive judgement of the recruiter in making selection decisions at the application stage or on the basis of face-to-face or telephone interviews (Stewart and Knowles 2000b). Large organisations, meanwhile, generally employ scoring matrixes, for instance, in processing standardised application forms or conducting interviews, and have agreed hurdle rates[1] for rounds of psychometric testing, which are completed either online or while attending an assessment centre. The tendency among large firms to adopt more formalised selection processes was reflected in the results of the 2013 Association of Graduate Recruiter survey. This found that 99% of large firms required graduates to apply for vacancies via online applications, and 89% used assessment centres – incorporating a series of individual and group-based exercises, alongside a face-to-face interview as part of their selection process.

Additional bespoke analysis of survey and recruiter management information conducted for this research also pointed to the range and weight of criteria that could be applied in the selection process:

- Association of Graduate Recruiter membership survey data suggest the most common minimum entry standards applied are: 2:1 degree classification (74% of members used this in their 2014 recruitment activity) and demonstrating certain competencies (51%); followed by reaching a minimum University and Colleges Admissions Service (UCAS) tariff points (based on A level or equivalent achievements, 38%), studying specific subjects (30%), and having relevant work experience (29%). It was rare for employers to set university attended as an entry minimum entry requirement (just 5%, see evidence annexe, Table 6.1).

- Exploring trends over time, the Association's membership survey indicated that there was a rapid increase in the use of a minimum 2:1 degree classification with the onset of the recession, a gradual increase over time in the proportion of member employers using a minimum tariff point cut off, and a rise and then fall in the use of competencies as a minimum entry standard (see evidence annexe, Table 6.1).

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[1] These are the number of individuals anticipated to go through to the next round, ie pass the hurdle.

- Analysis of data from a specialist graduate recruitment company who support a wider range of organisations, based on a random selection of around 1,500 vacancies placed and successfully filled by them over the past five years, provides an interesting contrast. This provides feedback on the criteria applied to vacancies rather than the criteria applied by employers. The analysis indicates that approximately half of these vacancies specified that candidates should come from a top ranking university (generally from the top 30 or 40 universities in established league tables, see evidence annexe, Table 6.2).

- The vacancy information also indicates that approximately three quarters of vacancies specified a minimum of a 2:1 degree classification, while nearly one quarter specified a 2:2 classification or higher, and very few were open to candidates with any class of degree (see evidence annexe, Table 6.12). Just over a quarter of vacancies specified minimum A level or equivalent results (tariff score and/or grades, see evidence annexe, Table 6.17). Generally strong relationships existed between specified criteria: if a vacancy required a specific subject of study it also tended to require a minimum 2:1 degree; most vacancies specifying a top ranking university also required a minimum 2:1 degree and/or higher tariff points; whereas vacancies requiring candidates to have attended the very top ranking universities tended not to require a specific degree subject (see evidence annexe, Tables 6.15, 6.16, 6.20 and 6.10).

6.3   Overview of the selection process

The rest of the chapter considers the primary research evidence from interviews with employers and stakeholders.

6.3.1   Combination and timing of selection methods

The combination and timing of the selection methods used by employers interviewed as part of this research varied considerably between companies, generally by size. This was a key theme and will be explored in more detail throughout the rest of the chapter as will other company characteristics that impacted on the nature of employers' selection processes. Large organisations reported receiving a high number of applications compared to small-medium sized enterprises. This may be due in part to the relative strength of their company brand and, for some but by no means all large employers, their greater annual graduate intake. These organisations also had more resources to-hand to process high volumes of applications. They were therefore able to adopt formalised, systematic selection practices which helped ensure consistency in their shortlisting and recruitment decisions, which excluded large swathes of applications, while also making these activities more transparent.

The main source of variation in the combination and timing of selection methods stemmed from the different selection processes utilised by employers during the intermediate selection phase. This phase of selection could incorporate one to three separate methods, which among the employers interviewed included: one or several online psychometric tests, such as numerical and verbal reasoning exercises and/or situational judgement tests; and/or various modes of preliminary interview conducted via telephone, video or face-to-face. Where both tests and preliminary interviews were employed, the methods

were typically used in this sequence with employers seeking to gather more detailed information and evidence from candidates as the pool of applicants was gradually reduced. Larger organisations tended to employ the most number of methods during this phase, and smaller organisations the fewest[1]. Across companies, telephone interviewing was the most widely utilised method at this stage of the selection process. This is in line with the literature and survey data noted above.

Despite employing differing combinations of methods during the intermediate phase, employers adopted broadly similar approaches at the beginning and end of their respective selection processes. For instance, at the initial application stage, almost all employers interviewed required candidates to submit a written application. However, the majority of large employers had developed bespoke online application forms for prospective candidates to submit, while smaller employers typically asked candidates to submit a CV accompanied by a covering letter.

There were also similarities between organisations with regards to the nature of the selection methods used at the final stage of the selection process. For instance, during this phase of selection all employers would typically assess a candidate's suitability for the advertised position in person. Medium and large sized employers, particularly those recruiting graduates to schemes as opposed to job vacancies, typically required candidates to attend an assessment day; while small organisations normally assessed candidates on the basis of a face-to-face interview accompanied by an individual assessment.

6.3.2 Outsourcing of selection processes

A few employers stated that some aspects of their selection processes had been outsourced (this differs to the outsourcing of recruitment activity described in Chapter 4). The activities that were typically contracted out included: the initial screening of candidate's CVs; the development and administration of psychometric tests, which were either delivered online or as part of an assessment day; and assistance with candidate management including sending email invitations, prompts and reminders for assessments and/or interviews. In almost all cases, practices were outsourced as the company in question lacked the in-house capability to conduct these activities themselves, in some cases due to the volume of activities they received:

'We easily get 300 CVs for 16 places. We now have a company look through the CVs because we found that it was getting too much for us to do. I do think we should stay with the people on the ground doing the CV selection but that's not my choice.' [Extra-large employer]

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[1] It should be noted that a small number of companies involved in this research did not have an intermediate selection phase. These were invariably small or medium sized companies, who tended instead to invite candidates to participate in their final selection stage. This final stage usually consisted of a face-to-face interview and an additional selection exercise, based on the strength of their initial application. It is likely that additional selection methods are either considered too resource intensive for these organisations, or they have no present need to reduce the volume of applications that they receive.

Indeed there appeared to be a preference, expressed by some employers and stakeholders, to keep the delivery of selection activities in-house. Interviewees commented that this was to ensure that the quality of the candidate experience was maintained, to retain oversight over which candidates pass through to subsequent selection stages and was also due to a lack of financial resources:

> 'I like to find all my people myself. And, again, I don't think we could afford to hire… to have a consultancy, or whatever it might be… those kind of companies.' [Small employer]

6.4   First screening/selection stage

This section considers the methods used by employers at the first stage of selection. For many employers involved in this study, this was where prospective candidates submitted a written application, typically online, for a particular scheme or job role in response to a company advertisement, which stipulates the essential and desirable selection criteria that they hope applicants will be able to fulfil. Applications were scored or judged against these criteria – which were more or less stringently imposed as individual eligibility requirements. This was alongside the employer's own tacit or explicit expectations of what additional information the candidate should provide, and how the application had been presented and information about the candidate evidenced and communicated.

Applications were typically sifted to form an initial shortlist of candidates that the employer wished to gather further information and evidence from. This would be derived prior to applicants being invited to participate in any further rounds of screening/shortlisting. As noted above, this activity was sometimes outsourced to recruitment agencies. In other cases the external body would undertake an initial sift to reduce the volume of applications received, after which an employer would review the remaining applications to develop a short (or long) list. Other employers stated that they would undertake two parallel internal sifts of the applications they received to ensure consistency in their shortlisting approach.

One large employer described how they asked applicants to complete a number of online assessments, such as psychometric tests, upon receiving candidates' application forms; only if candidates successfully passed these assessments, would their application form then be considered. Similarly a handful of large graduate recruiters only requested a few basic details from an applicant at this initial screening stage, such as the classification of their degree, to check that the candidate met the essential eligibility requirements for the role. If candidates met these criteria, they were subsequently directed to a series of online psychometric assessments. Some of these employers would then require candidates who successfully passed the online assessment to submit an application form; while others – especially companies that employed sophisticated rounds of testing, such as a job-specific situational assessment in conjunction with numerical and verbal reasoning tests – would derive an initial shortlist of candidates from the test results alone.

Not all employers interviewed as part of this research were able to provide an estimate of effectiveness of their initial screening stages in reducing the applicant pool. Of those interviewees who were able to provide such estimates, one large graduate recruiter in the financial sector stated that they would typically lose around half of all applicants after the initial shortlisting stage.

6.4.1 Written applications

Where written applications were requested by an employer, they were received either in the form of a CV accompanied by a covering letter, or a completed bespoke CV template or application form designed by the employer themselves. The type of method used differed according to the size of the company. Many smaller companies (ie companies with fewer than 250 employees) requested a CV and covering letter from potential applicants. Whereas most large employers had developed a bespoke application form that provided space for graduates to detail, among other things, the applicability of their aptitudes, experience, motivation and values to the scheme/job role and company in question. Such forms also captured basic information that would usually be provided on a candidate's CV, such as their education and work history.

In this way, the application form was seen as a direct replacement for the CV and covering letter among large businesses. The rationale for developing a tailored application form was to screen in a consistent, efficient and transparent way for key characteristics among a large number of applicants.

Competency and strength-based questions

Many of the large employers interviewed had a competency based approach to selection, where a list of core competencies or a company-wide competency framework largely informed the design of their selection methods. In describing the reasoning behind such approaches, one employer stated that many graduates did not have extensive experience of the world of work, and so competency screening was a way of drawing out transferable skills that candidates had exhibited in other (non-work) contexts. The application forms issued by such companies thereby typically asked applicants to provide evidence of instances in which they had exhibited several or all of these competencies. Some employers then spoke of scoring applications against these competency frameworks, using agreed internal benchmarks.

'They need to fulfil the criteria, there are ten competency areas and they would be assessed on all of those fairly rigorously, like making effective decisions, communicating and collaboration, and coming up with solutions.' [Extra-large employer]

'As an organisation we have a list of core competencies that we expect everybody to have, and the same goes for our graduates. So you're looking at things like initiative, adaptability, ownership, so those three areas, that's what we call our foundational things, so it would be an absolute given for all of our trainees to have those. Then, on top of that, you've got things like business insight […] Because we work within a numbers environment, you're looking for people that have got good critical thinking, not just critical thinking with numbers, but critical thinking to be able to ask the right questions and make sense of lots of information and give priority to it. There's communication, or the ability to build business relationships, both with colleagues and clients, is a really key skill. Then I guess the final one for us is about being results-driven, so it's about being really committed towards achieving things and really taking action and being able to deliver. I guess they are what I would call our core competencies that we look for in our hires.' [Extra-large employer]

'We include application questions in our application. The questions change every year, but we ask them to demonstrate where they've worked in a team for example, where they've solved a problem, or introduced a new idea. So it gives them opportunity to demonstrate where they've done something above and beyond just the studies they've done at university.' [Extra-large employer]

A number of employers stated that they considered applications to be particularly strong if prospective candidates were able to provide a range of examples when evidencing key competencies, including activities or interests that they had pursued outside of academic study. The relevance of the experience to the type of work-related situations that a graduate would find themselves in if they acquired the role also appeared to add to the perceived strength of an individual's application.

A few of the large firms involved in this study had recently adopted a strength-based approach to selection, and no longer screened applications using competency frameworks. In practice, this meant that instead of selecting applicants on the basis of their current skills, employers were looking at what activities and tasks candidates were interested in undertaking and that they felt they performed particularly well, and whether these could be harnessed by the company to fulfil particular roles and/or functions. As employers currently using or interested in this approach described, strength based selection activities were thereby focused on '… somebody's future talent' [Extra-large employer] as opposed to the aptitudes they were able to evidence in their work and educational history, with recruitment decisions made on the basis of an individual's '… potential to succeed in the organisation' [Extra-large employer].

One large employer stated that moving from competency to strength-based selection had made it easier to identify candidates who were suited to the working environment and were less likely to leave the organisation a few years into the graduate scheme. The company in question had operationalised this approach to selection at the initial application stage by providing candidates with a situational strength pack, which they were asked to complete alongside an application form. As described by the employer, this tool provided candidates with a number of different in-work scenarios based around the organisation, and is used to determine whether the work preferences of the individual match the type of strengths they are looking for.

Regarding the graduate CVs submitted to small and medium sized companies for particular vacancies, almost none of these employers stated that they would screen applications for evidence of key competencies at this stage. These smaller employers had more of an exclusive interest, compared to larger organisations, in a candidate's academic ability and the relevance of their educational qualifications as well as, in some instances, their work history.

Relevance of higher qualifications and academic performance

In relation to the perceived relevance of a candidate's higher education qualifications, the specialisation of the role(s) companies were recruiting to was an important determinant of how narrow or broad a range of qualifications an employer was willing to consider. Unsurprisingly, for graduate schemes or vacancies within occupations that required a higher education qualification in order to become professionally accredited, such as law or

engineering, employers had stringent criteria regarding to the type of degree that they required applicants to have.

> One medium sized energy company stated how, when screening applicants' CVs for one of their engineering graduate programmes, the recruiter in question would, 'drill down' into the modules and units undertaken and assess their relevance to the programme.

In contrast, employers who required more generic skill-sets from applicants, such as accountancy and finance companies, appeared to be more flexible in terms of the type of degree subject that they were willing to accept, as long as the candidate was competent and showed potential. However, in spite of this flexibility, these businesses did acknowledge that due to the nature of their work they tended to attract applicants from the disciplines of accountancy, business studies and economics.

In terms of the academic ability of the candidate, there was a tendency among the small and medium sized companies interviewed to stipulate that prospective candidates must have attained at least a 2:1 degree classification in order to have their application considered. This criterion would normally be made known to candidates before they submitted an application. While some of the large employers interviewed also used this criterion, other large companies adopted a lower threshold, such as a 2:2 degree classification, or none at all. Among those employers who did set a minimum degree criteria, a number of reasons were provided for doing so. The most common rationale for this approach, particularly among those who requested a 2:1 classification, was that it served to reduce the volume of applications they received and thereby made the process of screening applications more manageable. Indeed, one large employer with a graduate scheme in engineering that did not employ any eligibility criteria related to class of a candidate's degree stated that they felt able to do so because of the relatively low number of applications they received:

> 'I know some organisations have to do it because of the numbers of applications that they get, however we're in a position where we don't get thousands of applications and therefore we're able to interview – for the number of small vacancies we can interview quite a lot of people.' [Large employer]

The use of degree classification as a screening tool was also identified by some of the stakeholders interviewed; one stakeholder felt that the effectiveness of this tool in limiting the number of applications an employer receives may outweigh any concerns the employer has regarding its potential impact on the diversity of the candidate pool, especially at a time of increased competition for graduate jobs. This issue is considered in greater detail in Chapter 8 of this report.

> 'We have been advising our clients for some time to drop the 2:1 classification as a killer question because of the potential discrimination, but then organisations are left sitting there thinking "but our application volumes are going to go up", and they are absolutely right.' [Stakeholder]

For employers who did apply such criteria, in a small number of instances, a high threshold for degree classification was not seen as an effective tool, at least on its own, for

reducing the volume of applications they received. In such cases, additional eligibility requirements were stipulated, such as relevant work experience. In contrast, other companies commented that such criteria were not always stringently imposed and that they would consider applications from candidates with a lower class of degree if, for instance, they showed, 'exceptional strength in the competency department' [Extra-large employer] or, 'a keenness and a hunger to learn and progress' [Large employer].

Another less commonly cited reason provided by employers for requesting a minimum degree classification from prospective candidates was that in the past it had appeared to work well and had generated a good number of quality applications. A small number of the employers interviewed in this study also used a candidate's A-level grades to screen applications at the initial stage, although these were not always presented as explicit eligibility criteria. Employers who adopted this approach commented that A-levels were a reliable indicator of a graduate's academic ability and could be used perhaps to distinguish between candidates who had all received a 2:1 degree classification:

> 'These days unfortunately, as I said, there's been grade inflation and so 2:1s are not what they were in terms of a distinguishing factor so A levels are still very useful; you look at the CV and the guy has got all As, you think this is a bright person.' [Small employer]

At the application stage some employers did not employ any explicit thresholds with regards to a candidate's educational background, and in particular the classification of their university degree. Underpinning this approach was an acknowledgement among these employers that academic performance on its own is not necessarily indicative of the quality of a particular candidate; they recognised that there may have been several reasons why a graduate did not achieve high grades during their degree, and that their strengths may lie in other areas. As such, these companies did not want to limit the applications that they received on this basis. Indeed, these views suggested that degree classification may now be less widely regarded among employers as a proxy for talent. Two interviewees described the reasoning behind this approach in the following way:

> 'If you look at academic entry requirements, we challenged ourselves last year to say, is this the right thing to be the yes or no, first yes or no deciding factor for candidates? Or if candidates haven't got a 2:1, for example, could they still be great, and, therefore, are we missing out on potential talent? And we took the view that, actually, we'd like to see them, because for us it's about identifying talent.' [Extra-large employer]

> 'I think if we were to do that, we'd close ourselves off to some really fantastic candidates who, for some reason, may not have achieved their full potential in their degree. We've got someone who got a third, but you see them in person and it's completely irrelevant. They had some family troubles throughout their degree and that's what held them back. So we look at the whole picture.' [Large employer]

Almost universally this group of employers spoke of taking a holistic approach when considering a candidate's application. In practice, this meant that individual applications were scored or judged in a more or less balanced way. Shortlisting decisions were based on the overall picture that a recruiter was able to attain about a particular candidate from the information provided across a number of areas, including: their work history, personal achievements, extracurricular activities and academic background. Some large employers

had developed scoring systems to accommodate this approach, while small and medium sized employers appeared to rely more on the subjective judgement of the assessor.

It should be noted, however, that among the employers who followed this approach, a few still appeared to implicitly employ minimum educational requirements, albeit at a relatively low threshold, stating that they would not typically consider applications from candidates who had received a third-class honours degree.

Knowledge of company and role, motivations for applying and career goals

Other information that the large employers interviewed in this study typically expected graduates to provide on application forms (often specifically requested), included: a) a candidate's existing knowledge of the company and the graduate scheme/job role; b) the aspects of the work they were interested in and the motivations underpinning their application; and c) how they saw this position fitting in with their long-term career goals and personal development. As a few large employers remarked, the provision of this information was a chance for the candidate to demonstrate their professionalism, that they had taken time to research the company, had thought about how the opportunity on offer may contribute to the development of their career and the fulfilment of their personal interests, and why this particular position was important to them. As two employers remarked when describing what they looked for or expected from a candidate's initial application:

> 'I guess a typically strong one [application] might refer to some research into who we are and what we do, and they/you think that's attractive, some reference to the programme they're applying for and what they liked about it, and how they see themselves developing, and what their personal interest is in us and the programme they're applying for.' [Extra-large employer]

> 'You would expect a very basic professional level. […] showing an understanding, showing that you've done some research, showing that they've thought about their career development, and that they're thinking about why that job's important... It's surprising how many applications you still see that lack a basic understanding of how to professionally present an application, and consideration to some of the questions that are being asked, and what a company might be expecting, or be interested to hear about, from a student or a candidate.' [Extra-large employer]

The smaller employers interviewed expressed similar sentiments in relation to the type of information they would expect to see included in an applicant's covering letter. One small employer stated that they expected applicants to have researched the company and to be able to demonstrate a committed interest in its business activities. Another interviewee working in a medium sized company recruiting graduates into a project manager trainee scheme posited the questions they would ask themselves when screening these letters:

> 'Have they made an effort with their cover letter, have they told me they want to work for [the organisation] […] and they want to do project management. Have they backed it up in a well-formatted document?' [Large employer]

As is evidenced in this quotation, given that graduate recruiters who requested a CV and covering letter typically left the presentation of these documents to the candidate's

discretion, layout and formatting also appeared to feature more prominently in the shortlisting decisions of employers who used this screening method. These employers were also reactive to any generic covering letters that had not been tailored to the advertised position or the company in question:

'Anyone who sends us a standard letter that has obviously been sent to 40 other companies will pretty much certainly not even get considered, frankly.' [Small employer]

6.4.2 Higher Education Achievement Report

Few of the employers interviewed had heard of the Higher Education Achievement Report. Among those that had, invariably large employers, a few observed that it would not be an effective resource until it was more widely used across the sector. This echoed the views of stakeholders consulted during this study.

For instance, respondents were concerned about the added administrative burden that the report would potentially bring to their Human Resources departments if they decided to use it at the application stage in tandem with their other current selection process. One interviewee stated that, from a processing perspective, it would place an immediate disadvantage on candidates from universities that were not using the report as employers would have to expend additional resource when requesting an applicant's references and degree transcript, both of which are included in the report. Other employers felt that the Higher Education Achievement Report did not address their business needs, or that it did not adequately capture the range of extra-curricular activities an individual may have been involved in outside of study.

6.5 Intermediate selection stage(s)

Intermediate stages of selection refer to any subsequent selection activities that a candidate participates in after they have formally applied for a particular position, which are not used to mainly inform an employer's final recruitment decision.

In general terms, intermediate stages of selection were largely concerned with gathering further 'hard' and 'soft' evidence from candidates, as well as providing them with more detailed information about the position/scheme and the company in question. This stage has a dual purpose: to continue to reduce the volume of applications that the employer had to consider; and to ensure that the 'right' candidates (i.e. those with the appropriate skills and motivation to work for the company in that particular role) get through to the latter stages of selection.

As with the initial application stage, candidates participated in intermediate stages of the selection process remotely, typically online or via telephone correspondence. It is important to note that a small number of the employers interviewed for the research, invariably smaller companies, did not have intermediate selection stages. These organisations would instead invite candidates to attend an assessment day or a face-to-face interview solely on the basis of their initial application.

Among those employers who did engage in further evidence gathering prior to meeting a prospective candidate in person, this intermediate phase of selection could include one to three separate stages and utilised several selection methods in varying combinations, with

larger organisations tending to have the most number of stages. The variety meant that it was rare to find more than two employers in the research using the same combination of methods in exactly the same sequence. Some of the most widely used methods will now be considered in turn.

6.5.1 Psychometric tests

A number of large employers reported using online psychometric testing at this intermediate stage of the selection process. While the exact point at which these assessments were administered differed between companies, they tended to occur prior to the company establishing direct contact with the candidate, either through a preliminary telephone or face-to-face interview, or by them attending an assessment day or a final face-to-face interview.

These initial tests were typically delivered by third party providers, with employers liaising with these organisations to agree reasonable 'hurdle rates' based on: a) the volume of applications they had received; b) the quality of the candidates that had successfully passed the assessments in previous years; and c) the nature of the position they were recruiting for. These assessments usually took the form of ability tests consisting of numerical, verbal and/or spatial reasoning exercises (this corresponds with the Association of Graduate Recruiters survey data outlined earlier); although a number stated that they had either begun to use, or were considering using in future, job-specific situational assessments. The employer interviews indicated that the latter forms of assessment were only used by particular extra-large employers (ie with over 1,000 UK-based employees) , were bespoke to the vocation in question, and thereby required a greater level of investment and work with psychometric providers to ensure their validity.

The most common form of job-specific assessment utilised by employers were Situational Judgement Tests (SJTs). These tests presented candidates with a series of scenarios that they might encounter in the role they were applying for. Applicants were provided with a list of possible responses, which had been ranked internally by the employer in terms of their most and least preferred behaviours. Again, a hurdle rate had been agreed between the test provider and employer in question. One organisation that used these tests made clear that in order to hit this hurdle rate candidates did not always have to choose the most preferred behaviour in every scenario.

As noted above, online assessments in intermediate stages of selection were used to reduce the volume of applications employers were dealing with, as well as ensuring that appropriate candidates progress to the latter stages of selection. Indeed, one large graduate recruiter stated that, in a typical year, a third of all applicants would not pass the psychometric assessments.

> 'With the volume of applications that we're dealing with, we have to particularly online have a robust set of tools that mean by the time we're getting to telephone interviewing and assessment centring, we've got a much more manageable number of candidates and that it feels like we've got the right candidates going through an assessment centre.' [Extra-large employer]

'It gives us again an opportunity to sift. So at this point in time, it's how do we get a large number of applications down to a smaller number of people that we actually want to talk to.' [Extra-large employer]

The introduction of job-specific assessments was seen as a more sophisticated means of achieving these two aims by systematically screening for desired work-related behaviours at a relatively early stage in the selection process, thereby achieving greater congruence with latter stages of selection where candidates could be asked to complete assignments or engage in a role play within a semi-realistic working environment. One large employer described the rationale behind the recent introduction of situational judgement tests to their selection process:

'Volumes, but we try to align that [the tests] to the rest of the assessment as well. There's a correlation between that and the longer assessment process that they do at the assessment centre.' [Extra-large employer]

6.5.2 Preliminary interviews (remote)

Telephone interviews

Remote preliminary interviews with candidates via telephone were by far the most common method used during the intermediate stages of selection. The use of this method did not appear to be related to employer size, as smaller employers were just as likely to engage in telephone interviewing as large organisations. Again, while company practices varied, telephone interviews tended to take place immediately prior to any selection stages where the employer met with a prospective candidate in person. A small number of employers engaged in two rounds of telephone interviewing to limit the amount of time that they spent on this activity, conducting longer interviews and acquiring more detailed information from shortlisted candidates during the second round.

How employers used telephone interviewing during the selection process did vary slightly according to company size, with large organisations conducting these interviews in a more standardised fashion than smaller companies. For instance, a number of the extra large organisations (ie with over 1,000 UK-based employees) interviewed saw telephone interviews as another opportunity to ask candidates to provide evidence of key competencies, in line with their broader competency frameworks.

'We then do a telephone interview where we look at a few core competencies, and not all of them, but just a few core ones.' [Extra-large employer]

'We do a telephone screen; again, that's like a competency based interview.' [Extra-large employer]

'So the telephone interview will start off just by checking some of the things on the application form, just to make sure they definitely are feasible to us […] and then it will be competency based as well, so similar to the application form I guess, just with different questions, so that would be competency based, "tell me about a time you had to deal with a difficult setback".' [Extra-large employer]

Smaller employers tended towards a more informal approach, and mainly used telephone interviews as an opportunity to find out what a prospective candidate knows about the company, their motivations for applying for the advertised vacancy, as well as their broader work goals and how they see themselves developing within the role. For employers seeking to recruit graduates to client or customer facing roles, these interviews were also a good opportunity to assess an applicant's communication skills and their general telephone manner.

> 'I will book in a suitable time to have a telephone call with them. That, really, just gives them the opportunity to prepare for the call, and it's really to sort of assess their communication skills and their knowledge of the role in the company so far. So it's not anything too in-depth; it's just really a 10/15 minute chat initially.' [Large employer]

The organisation would use the information from these telephone assessments to develop a further shortlist of candidates that they wanted to assess in person. For competency-based approaches this would usually be completed using a pre-determined scoring system, while employers using a less standardised approach would leave selection decisions of who to progress to the next stage to the subjective judgement of the interviewer.

Some employers using the less standardised approach to select graduates commented that they would not necessarily de-select candidates who performed poorly during the interview – for instance, if they were applying for a client-facing role and did not have a good telephone manner – but rather would use this information to identify areas where a candidate may require additional support if they were successful in their application.

> 'I want to hear what they're like on the telephone. If they're dealing with suppliers or clients …, it's really important that I can hear how they come across. That's not to say that we'd bump somebody out if they had a bad telephone manner, it's just I'd know how much work that they'd need; if they need polishing, for example.' [Small employer]

Employers who adopted a more informal approach to telephone interviewing also spoke of the opportunity that a telephone interview afforded them to provide applicants with further information about the organisation and what the role would require of them were they successful (ie in terms of travelling, day-to-day activities etc.). Some interviewees highlighted the important role that this informative aspect of the telephone interview played in helping the candidate to decide whether or not the vacancy in question was right for them. For reasons related to performance and retention, employers consistently stated that they wanted to attract applicants that were a good cultural fit for the company in question and who would be committed to the role; they were therefore comfortable if applicants wanted to opt-out of the selection process at this stage.

One medium-sized IT consultancy described the benefits provided by telephone interviewing in the following way: 'There's only so much information you can get from an advert or a job spec. Because we are a global company, we do require people to be flexible in regards to travel and working rotation. We're a consultancy, so sometimes there's working outside of your nine to five hours. So that phone call lets me give them all of that information and talk about salary requirements and that sort of thing, and really just let them know as much information as possible at an early stage so they can come back and say whether it's going to be suitable for them or not. Sometimes I'll have people apply and then, when they realise the travel aspect, they might say, no, it's not for me, which is fine. I'd rather do it at that initial stage rather than further down the line.' [Large employer]

Telephone interviewing was also seen to benefit the candidate experience in other ways. For example, recognising that some graduates will have limited work experience/job-application experience outside of part-time employment, a few employers stated that this method was a good way of introducing applicants to a more thorough and systematic selection process in a controlled environment. Some employers even billed the interview as a conversation or chat with applicants, or had current graduate trainees conduct the interviews in order to enhance their perceived informality. One employer described this benefit to the candidate experience in the following way:

'For a lot of these graduates they have not had a professional interview before. They might have done a bar job before or a little bit here and there but they may not have had that kind of interview before and to have a slight introduction to it on the telephone where they do not have to worry about how they are appearing body language wise and all of that kind of stuff, it is a lot safer environment for them to get introduced to that process.' [Large employer]

Recorded video interview

There was a recognition among several employers, however, that telephone interviewing was quite resource intensive, particularly for larger organisations with a high number of applicants. For this reason a number of large organisations were now asking applicants to participate remotely in a recorded video interview as an alternative to telephone interviewing, while others were considering using this method in future (which fits with trends reported in the Association of Graduate Recruiters membership surveys noted above). Indeed, this trend was indicative of the increasing use of automated selection processes identified by stakeholders, which has been facilitated by recent technological innovations and is driven by a need to reduce the volume of applications with as little human intervention (which is costly) as possible.

As part of the video interviewing process, candidates were directed to an online platform where they were able to make visual recordings of themselves. At first they were given time to practice and familiarise themselves with the system. Applicants were then able to start the video interview at a time of their choosing within a specified period. Once they started the interview process, candidates were presented with an interview question and had up to two minutes in which to consider their response. A video recording would then start automatically and applicants had another set time period in which to provide an

answer. Candidates were unable to change or amend a recording once the time limit had been reached, and the video was subsequently sent to the employer for review. One company that currently used this approach stated that they would attempt to give candidates confidence in the process by informing them that they don't expect their answers to be fully formed at this stage:

'They get one shot at it, and it's left there. So again, we reassure candidates in the process, we don't expect your answers to be completely polished because we realise we're only giving you one shot at this, so hopefully they're comfortable with what they're doing.' [Extra-large employer]

This company was using competency based questions, which required interviewees to provide examples of instances where they had exhibited these capabilities. Whereas others using video interviewing asked candidates to explain what appealed to them about the vacancy in question and to detail their career goals. One employer that was recruiting graduate trainees in the hospitality sector described what they were looking for in the video interviews they received from candidates:

'Good examples of good customer service, of teamwork, find out what their motivation is, making sure they do have that desire to progress in the career within hospitality and customer service.' [Extra-large employer]

As well as being more cost-effective and less time intensive than telephone interviewing, employers also believed that video interviewing was more convenient for candidates as they were able to record their answers at a time of their choosing:

'It's all about making it a positive experience for the candidates, they can do it at their convenience, they can do it at their own leisure….Some people perform better in the morning, some people perform better at night, rather than me dictating to them, you've got to have a telephone interview at two o'clock, they can do it in the comfort of their surroundings as well.' [Extra-large employer]

Another employer working in the digital industries believed that incorporating video interviewing into their selection process was a good way of demonstrating the innovativeness of the company to potential applicants, as well as allowing the company to engage with graduates in a format that they would, 'enjoy and welcome' [Extra-large employer]. The stakeholders interviewed also highlighted the growing concern among employers to make the candidate experience interesting and exciting in order to enhance candidate retention.

Organisations that had recently adopted video interviewing were positive about its effectiveness in both reducing the volume of applicants and getting the 'right' candidates through to the latter stages of selection:

'What we've seen at assessment centre this year, is that the proportion of people being selected has been much higher than in previously years as well, so it kind of backs up the fact that the video tool has been very successful in helping us to get the right people to assessment.' [Extra-large employer]

6.5.3 Preliminary interviews (face-to-face)

A handful of employers stated that following an initial telephone interview, shortlisted candidates would be invited onto the company premises to take part in a face-to-face interview. The employers made it clear that this was still part of what has been termed the intermediate selection stage, and that candidates who were shortlisted on the basis of this interview would subsequently be invited to the latter stages of selection such as a further face-to-face interview accompanied by an individual exercise or an assessment centre.

Again the ways in which these preliminary face-to-face interviews were utilised as a selection tool differed slightly according to the size of the company in question:

> For example, one very large organisation that recruited graduate trainees to management roles in sales and customer service stated that they will use preliminary interviews as an opportunity to gather further evidence from candidates against the six core competencies they were looking for. Specifically, the employer asked applicants a series of behavioural questions and they were required to provide evidence of sales acumen, leadership abilities and communication skills among other capabilities.
>
> A smaller organisation that provided IT consultancy services, which was seeking to recruit graduates to client-facing project management roles, used the method more informally. They felt a preliminary face-to-face interview provided them with the chance to see whether the candidate was well-presented and - more importantly – to assess their verbal communication skills in person. This employer described the questions they ask themselves while they are interviewing candidates:
>
> 'Are they answering questions in a positive way or is there lots of looking down at the page? Are they flustered? That sort of thing. That wouldn't be a no for someone, it's more that we need to be aware of that and you can't really get that information from a phone. You need to see someone face to face.' [Large employer]

All of the organisations who used preliminary face-to-face interviewing commented that the method was also beneficial to the candidate experience. It provided graduates with another opportunity to decide whether the vacancy, company and business culture in question were a good fit with their career goals and working style. Indeed employers often took time in these interviews to have an in-depth discussion with an applicant about how they see their career progressing and whether this was something the organisation could facilitate.

Another perceived advantage of this approach was the chance it provided for the applicant to see for themselves the environment in which they could potentially be working and to meet and interact with current employees from the organisation. Employers emphasised the utility of this experience in helping graduates to determine whether they would be comfortable in this working environment, again commenting that they would rather applicants opted-out of the selection process at this stage prior to accepting a job offer or commencing work at the organisation:

'We then send them to a branch, where they're going to be working. So, potentially a branch where they would start. […] So, they can then meet the people that they work for. It's a good self-select out tool for the candidate as well. Because we want them to feel comfortable, and good about coming to work for us…If people self-select out there, for the right reasons, then we're comfortable with that. Because we want them to go, when they join us, to really have a good understanding of what they're going to be doing on a day to day basis. And if they don't like what they see, at that branch interview stage, then as long as they're honest with us, then we're not, we're pretty comfortable with people, if they decide to self-select out of that. Because we'd rather have it at that stage, than three months into their career with us.' [Extra-large employer]

6.6   Final selection stage

The final selection stage refers to those activities that take place at the end of the selection process. The processes followed at this stage would largely inform an employer's decision as to who they would recruit from a final shortlist of candidates, which in turn would have been derived from the culmination of selection activities so far undertaken. In almost all cases, these final selection activities would require candidates to attend a specified venue and meet staff from the organisation in person.

6.6.1 Assessment centres/assessment days

A number of both large and medium sized businesses that participated in this research used one or more assessment centres or assessment days in the final stage of their selection process. This confirmed findings from the literature review and the evidence received from stakeholders who felt that assessment centres remained popular among employers and were still considered to be an important method to assess candidate fit and suitability to the organisation and role.

Many of the employers who used assessment centres were seeking to recruit graduates to tailored-entry schemes. Applicants typically participated in three to five separate exercises as part of these assessment days. Graduates were assessed in terms of their on-the-day performance and how well they had been able to demonstrate the capabilities and behaviours that an employer was seeking within and across each of these activities. Two large graduate recruiters described the process of assessing candidates' performance in the following way:

'Based on the outcome of the assessment centres, we then identify the successful individuals that have performed consistently throughout that entire process, have reached the required level that we're expecting, and we would then make our offers based on that outcome.' [Extra-large employer]

It's not so much a basemark score that we're looking for, it's more of an overall view and score, all of the exercises are scored… it's about how are they performing across the exercises, so they judge them on that.' [Extra-large employer]

Some employers who used this method stated that how a candidate performed across various activities would evidence their strengths and weaknesses, and could thereby be used to determine the type of role they were recruited to or the function they were assigned within the company:

'It's not about having one kind of person. Accountants aren't one type of person. You need people that can do the exams, crunch the numbers; you need future partners, businessmen, people that are going to be in front of your clients for a lot of years so it's about getting a balance of people.' [Medium-sized employer]

Some employers and stakeholders also stated that the assessment day provided another opportunity to supply candidates with further information about the company and role in question, for instance, via a presentation, tour of the workplace, or evening meal or luncheon with existing employees, in order to allow candidates to assess their fit with the advertised position from their own perspective.

Most of the extra large employers interviewed for this study (ie with over 1,000 UK-based employees) stated that assessment day activities had been designed to assess candidates' abilities in line with their organisation-wide competency framework, although some employers have recently adopted strength-based methods of assessment. The types of exercises candidates were asked to participate in as part of an assessment day included:

- work simulation exercises, which could include a written or computer based task, or a role play exercise

- psychometric tests, such as numerical or verbal reasoning exercises

- group exercises, which could either comprise work-related or more informal activities

- a presentation; or

- face-to-face interviews.

Each is described in more detail below, particularly how they are used within an assessment day (final stage) selection process.

6.6.2 Work simulation exercises

Work simulation exercises were concerned with providing candidates with a semi-realistic working environment in which they had the opportunity to evidence the core behaviours and skill-set that an employer was looking for from recruits. The design of these exercises varied considerably between employers, and was bespoke to the trainee or job role that the organisation was seeking to fill.

Some work simulation exercises were written or computer based. For example, one large firm seeking to recruit graduates to roles in accountancy, audit and business advisory services described how they set candidates a written case study exercise. They are briefed on a fictional client and the current business or commercial challenges faced, and then asked to complete a task around these set of issues in order to assess their critical thinking skills and demonstrate some of their market knowledge. Another accountancy firm described how they were also keen for its recruits to have a good level of commercial awareness and thereby asked candidates to draw up a commercial paper at assessment days to evidence their business acumen.

Several employers also used role play exercises to simulate a working environment for applicants and observe how they react to various scenarios. Role plays were also designed to assess an applicant's 'soft' skills, such as their verbal communication and how they interact with clients or colleagues, as well as their ability to think critically and demonstrate relevant knowledge. One employer that used a role play exercise as part of their assessment day, where candidates were asked to assume the role of a loss adjuster, described the format of this exercise:

'They're given some rules, some figures, some facts, not all of them, a situation – maybe there's been a fire – and then they go and they meet a role-player who has suffered this thing, and they have to get the extra evidence out of them, and then reach an agreed settlement. They do it in a 15-minute interview – there's a five minute briefing and then they go back and do it in 10 minutes.' [Extra-large employer]

This employer felt that a role play was the closest applicants could get to performing a particular job role without actually being hired or receiving any formal training. As such, it represented the best available means for an employer to acquire an insight into how well an individual could perform in a work-related scenario.

6.6.3 Tests in final selection

Psychometric tests similar to those used by employers at intermediate stages of selection, also formed part of some organisations' assessment days but were used in subtly different ways. Distinct from written and computer-based work simulation exercises these tests were used to assess more generic abilities, such as a candidate's level of literacy and numeracy.

The design of these assignments varied between employers, with some organisations again utilising the numerical and verbal reasoning tests developed by psychometric providers, while others had developed their own materials. For example, one medium sized business consultancy noted how they had developed a literacy test for graduates to complete as part of their assessment day. Here candidates were provided with two pages of information on the company in question and had 12 minutes to identify and correct grammatical, spelling and formatting errors within the text. The respondent stated that the test was marked positively, and so candidates were not penalised if they corrected errors that were not actually included in the exercise.

There were three key reasons why the interviewed employers used tests in the final stage of the selection process: a) to decide on the most appropriate role for the recruit; b) to identify any further support needed once in post; and c) to validate earlier test results (and check the candidate was the person they claimed to be). For example, employers recruiting graduate trainees in the areas of project management and accountancy used numeracy tests in order to assess a candidate's numeracy level, and how well they interpreted numbers as they felt this would help them to judge what role a graduate may assume in the company if they were given a job offer, or indeed whether they would need any additional support in this area. These tests were therefore not used as a de-selection tool per se, although they would inform an employer's recruitment decisions and the nature of the role that a candidate was offered if they performed well in other areas of assessment. There were examples of other medium to large sized employers who asked candidates to repeat the numerical and verbal reasoning exercises that they had

completed during the intermediate phase of the selection process; and this to ensure the reliability of the original test results and that the candidate attending the assessment centre was the same individual who completed the earlier exercises.

6.6.4 Group exercises

Almost universally, employers holding assessment days as part of the final selection stage asked graduates to participate in group exercises as part of this process. The exercises that candidates were asked to undertake as a team varied between work orientated tasks and more informal activities. Common informal tasks included asking a group of graduates to plan, design and build a spaghetti and marshmallow tower, documenting their work as they went along. Other popular exercises were variations on a scenario where graduates were asked to imagine that they were stranded in a remote location. Candidates were subsequently provided with a list of 10-15 'salvaged' items, and were asked to rank the objects in order of their relative importance to the survival of the group. Participants were told that they had to arrive at a collective decision on how each item should be ranked, which would necessitate a group discussion.

The reasons underpinning the use of group exercises showed a degree of commonality between employers. They were primarily designed to assess/gather further evidence of various facets of an individual's interpersonal skills such as: verbal communication, negotiation skills, leadership abilities, ability to assume responsibility for discrete tasks and reaction to criticism from colleagues. Many employers related these attributes back to their internal competency frameworks and the capabilities they were looking for from graduates. However, a few employers stated that these exercises helped to ensure that a candidate's behaviours were aligned with the expressed cultural values of the organisation.

One employer in the area of business consultancy stated that, in addition to the group exercises, they would also assess a candidate's interpersonal skills through an informal luncheon:

'It will start with lunch, so that we get everybody relaxed, and we have a social engagement. We actually check out their people skills at that point. With client-facing roles it's hugely important.' [Small employer]

6.6.5 Presentation

Employers described how graduates were also frequently asked to deliver a professional presentation as part of the assessment day. These were commonly on a topic specified by the employer, such as a presentation on one of their product ranges or the current business challenges that they face. Graduates were either asked to prepare these presentations in advance of the assessment day, or they were presented with the task and topic when they attended the venue in question. After delivering the presentation, candidates would also typically be asked to respond to questions posed by the employer on their interpretation of the topic.

As well as being used to gauge a candidate's ability to present, their enthusiasm for the subject matter, and their ability to respond to questions, presentations that had to be devised on the day of the assessment were also designed to see how well a candidate could cope with time pressures. For some employers, these on-the-spot exercises also

provided a more authentic insight into the quality of an individual's presentation skills, as they were unable to rely on pre-prepared visual aids.

Some employers recruiting graduates to science, technology, engineering and mathematics (STEM) roles required candidates to deliver a technical presentation usually based on a project the candidate had completed while attending university. Employers recruiting graduates to these roles, which were typically focused on production, were generally interested in how well a candidate could communicate the project rationale and findings, particularly to a non-specialist audience, rather than with how technically advanced the project was:

> 'We'd rather recruit an enthusiastic person who can communicate well and has a firm basis rather than someone who has a great mind but can't talk to us […] It doesn't work in an organisation where we are sharing so many ideas all the time […] There's lots and lots of interactions, lots and lots of fast moves and we found that worked better when people are outgoing and enthusiastic.' [Extra-large employer]

More generally, interviewees commented that they were also impressed by candidates who were able to deliver presentations on a novel topic or that offered a fresh perspective on a given subject. They tended to find these types of presentation more engaging and took a greater amount of interest in their content. One company, recruiting graduates to trainee roles in chemical engineering as part of their research and development work, described the aspects of a particularly strong presentation that had influenced a recent selection decision:

> 'The young lady that we are bringing into our team this year, she did something about sustainability in the coffee industry. It was really interesting. We never thought we'd find out things […] and that was part of the way that she managed to get the job offer, was because she did something interesting. She did it off her own bat. She communicated it well and you could tell that she was genuinely enthused about being here and presenting to us. All those skills are what you can't teach people. We can teach people chemical engineering but we can't teach people those innate skills, that enthusiasm.' [Extra-large employer]

6.6.6 Face-to-face interviews

Competency-based interview

As with group exercises, face-to-face interviews also formed part of most of the assessment days held by medium and large sized employers involved in this study. Many firms reported that these took the form of competency-based interviews (CBIs), structured around organisation-wide competency frameworks. These interviews were designed to probe deeper and acquire more evidence on the competencies an employer was looking for and that they had already asked candidates to demonstrate in shortened form at earlier stages of the selection process (eg in their initial application form or during a telephone/video interview). One employer who used competency-based interviews as part of their assessment day described the process in the following way:

'[The interview] goes into obviously a bit more depth than the application questions and the video interview questions that they've had, and looks to draw on those key characteristics that people would display and that we would look for.' [Extra-large employer]

Variations on this format included asking candidates to complete and submit a personality questionnaire prior to attending the interview. This practice was undertaken by a large graduate recruiter within the retail sector. They stated that the tool was used to assess a candidate's preferences towards a series of business-orientated behaviours, and the results directly fed into the competency-based interview. Assessors could then probe around particular business competencies that a candidate had identified as not being a preference for them.

Technical interview

Employers recruiting for science, technology, engineering and mathematics (STEM) roles commonly supplemented competency-based interviews with a technical interview, for instance, with a company engineer. Several other employers would require candidates to be interviewed by senior members of the organisation, such as business partners, who had a good awareness of the strategic needs of the company and what skills they needed from their workforce. These types of interviews were designed to assess the technical ability of the candidate and whether they could perform in the advertised position. Companies recruiting to science, technology, engineering and mathematics (STEM) type roles were particularly interested in candidates' potential ability to apply the theoretical knowledge they had acquired at university to the post in practical terms.

Situational and strengths-based interview

Other forms of interview that employers used to supplement competency-based interviews and garner additional information from the candidate included a situational interview. This was used by one large chemical engineering firm and showed similarities with the role play exercises described above. Here candidates were presented with a scenario and were asked to describe how they would respond to this particular situation. The scenarios presented were quite extreme, and were designed to screen for candidates with 'high potential', described as those exhibiting qualities such as insight, influence and drive, and who could be future leaders within the company:

'We're giving them a scenario, some of it they would not have encountered before, have no knowledge of, so disaster recovery; example, you are the manager of a particular business, you've flown your 50 top customers to this island in the Pacific for a conference, and on day two of a five day conference an electrical storm has hit and all electricity is down, the island is stranded, there's going to be no transportation to or from the island for two weeks; how are you going to manage it. And just basically let them go from there, and then just feeding in more bits of information.' [Large employer]

Several employers stated that they were moving away from using competency-based forms of assessment as part of their selection process and opting instead for strength-based assessment methods. These new methods had been incorporated into the face-to-face interviews delivered during assessment days. One employer stated that this form of interviewing was beneficial for both the assessor and candidate, as strength based

questions tended to generate better conversation and interviewees were able to offer more credible and organic answers when they were asked. For instance, what they enjoy doing and what motivates them, rather than being required to provide examples of competencies drawn from their work experience, which may have been limited up to that point. Employers therefore believed that the strength based approach provided a more accurate insight into a candidate's personality and whether they could succeed in the role. One employer described the anecdotal evidence that they had received from assessors regarding the benefits of strength-based interviewing:

'I cannot remember who I was talking to on staff but they were saying the neurological side of things, you will see a person light up when they are talking about something that interests them. It might not be that they are talking about spread sheets, they might be talking about dinner at home but it just gives insight into who they are as a person and what they enjoy doing rather than focusing on people's weaknesses and, 'tell me about a time when you were really pressurized…The questions have been around so long that they have almost become quite standardised and people can almost make up answers where they can walk into the interview and say whatever. Some of the strength-based questions are a bit more different and they also focus on people's initial reaction and I think it is a bit harder to prepare for those kinds of question. […] They can have more of a reaction which is quite interesting.' [Large employer]

6.6.7 Final selection activities of small employers

The final selection stage of small employers generally involved fewer activities than used during the assessment days held by many larger organisations. In this final stage, smaller employers tended to rely on the face-to-face interview; although almost all small employers gathered supplementary information about candidates through at least one additional exercise. These could take the form of:

- a presentation at interview where a candidate's communication and presentation skills were assessed, as well as their ability to research an unknown topic;

- a technical test for science, technology, engineering and mathematics (STEM) based roles in order to acquire evidence of a candidate's logical thinking and whether they had the necessary skill-set for the advertised position; or

- a work simulation exercise, for instance, in the form of a written case study.

The face-to-face interviews undertaken by all employers were used in different ways to inform the final selection decision: to check personal presentation for client facing roles, to verify possession of key competencies or important transferable skills, and for the candidate to assess their fit with the organisation. For example, one employer recruiting graduate IT consultants stated that they would use the interview as an opportunity to see whether a candidate could be well-presented when necessary. They observed that this would not be a key factor in their final selection decision, but that it was nevertheless an important component of the client-facing role they were recruiting for. Another described how they used these interviews as an opportunity for the candidate to again assess their fit with the organisation through a discussion led by the interviewer and by providing them with the opportunity to view what may be their future working environment. Other

employers noted how they used face-to-face interviews as a means of screening for key competencies and looking for evidence of a candidate's transferable skills. One interviewee commented that they would take account of the fact that graduates may not have a great deal of relevant work experience at this stage of their career:

'What I'm really looking for is a can-do, innovative attitude of what they've done in the past, but also what they can bring in the role in the future.' [Small employer]

In some instances, employers would also conduct a second round of face-to-face interviews with candidates, perhaps because the employer was unable to come to a final selection decision, or if there was a key member of the management team yet to meet the candidate. However one smaller employer commented that second round interviews had now become a standard part of their selection process as they recognised that candidates may be nervous and may not present the best possible version of themselves during the first round. They also stated that they tended to have at least two different members of staff conducting the interviews during the second round to ensure that interviewers have not been biased by their first impressions of a candidate:

'We used to rely purely on one interview, and we thought then, you know, sometimes people are incredibly nervous or whatever it may be and they sometimes don't present quite as they might have done, so we, again, get it down to about six candidates and then have them back for a second round interview, which is with at least two new interviewers who are coming to it completely fresh and objective.' [Small employer]

6.7   Key points: selection processes

- The nature of an employer's selection activities differed according to company size, as did the number of methods utilised during the selection process. Large organisations tended to use a greater number of methods than small and medium sized companies, and made greater use of application forms, psychometric testing and assessment centres.

- It is helpful to consider three stages in the selection process: (1) screening for eligibility and to choose those who enter specific selection activities; (2) intermediate stage where a range of selection methods may be used, often remotely; and (3) final selection, nearly always including face-to-face methods. Smaller companies may not have the need or resource to operate an intermediate stage.

- A 2:1 degree classification was not widely considered a proxy for ability or potential in selection, more commonly being used as a relatively blunt eligibility criterion to reduce the volume of applications received.

- Telephone interviews were widely utilised by employers of all sizes during the intermediate selection phase. However, a few large companies had replaced this method with pre-recorded video interviews, which were seen as being less resource intensive, cost effective, and an engaging experiences for candidates.

- Competency-based approaches to selection predominated (at all stages), especially among large employers. However, several organisations had now adopted a strength based approach to selection, or were considering using such assessment methods in future. These replaced the need to evidence having already practised a behaviour or type of decision with demonstrating the understanding and ability to develop these competencies at work.

- Job-specific situational assessments, such as situational judgement tests, were now being used by large employers alongside numerical and verbal reasoning psychometric assessments during the intermediate phase of the selection process. Employers wanted the range of tests used to be congruent with the job-role and the behaviours they looked for at the final stages of selection.

- Employers of all sizes were encouraging candidates to engage in self-selection by providing them with several opportunities throughout the selection process (all three stages) to acquire further information about the company and role in question, and to discuss their career goals in order to see whether this was something the organisation could facilitate.

- For many employers, the selection process was not entirely about gathering information and evidence from candidates in order to determine who to progress to the next stage. Some activities sought to identify areas in which candidates may require further training and support if they were successful in their application, while others were used to judge the particular role or function that applicants would be suited to within the organisation.

7 The role of work experience

7.1 Introduction

This chapter looks at work placements and internships, collectively called 'work experience' in this report. It explores the extent and nature of such work experience provided by employers, and how these opportunities are accessed by students and/or graduates. It then considers the rationale for offering work experience and probes in detail: the role of work experience in graduate recruitment and selection, the extent to which it acts as an indirect method of graduate recruitment, and follows the pathway from work experience into full employment. The chapter ends with some concerns around the role of work experience and notes how employers are looking to make changes to their provision of work experience.

It is worth noting that the employers interviewed used a variety of terms to describe their work experience opportunities, using the terms placement and internship interchangeably and inconsistently across the sample. Traditionally, one might consider an internship to be taken after graduation, and placements during study but this was not necessarily the case.

7.2 Setting the scene

Before presenting findings from the qualitative employer and stakeholder interviews, a review of the relevant research literature and bespoke analysis of national data from surveys of employers and graduates sets the scene.

7.2.1 Number of employers offering work experience

The research literature indicates the growing popularity among employers of offering work experience programmes for students and recent graduates. However the extent of work experience is unclear, and appears to differ by size of employer. A recent High Fliers report (High Fliers, 2014) highlights that four-fifths of the UK top 100 employers, the majority of whom are large, were found to offer paid work experience programmes for students and recent graduates in 2013-14. These were either paid vacation internships for penultimate year students or one year industrial placements for undergraduates[1]. The same research found that 41% of final year students had undertaken an internship or a period of vacation work experience with a graduate employer (up from 26 % in 2010). Similarly the Association of Graduate Recruiters membership survey found 89% of their members (again representing generally larger and more experienced recruiters) offered internships or placements, and the proportion had risen year on year (Summer 2014

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[1] The 2015 survey indicates the more than four fifths of their surveyed employers now offer paid work experience and that the number of paid placements available have increased by 10% since 2014. Of the surveyed employers: 69% offered paid internships/vacation placements to penultimate year undergraduates; 56% offered industrial placements as part of a degree; 39% offered taster experiences for first year undergraduates; 35% offered paid internships/work placements for recent graduates; and 29% offered paid internships/vacation placements for 1st year undergraduates.

survey). Internships[1] were the most common work experience offered and had grown rapidly in popularity, although sandwich or industrial placements were still common, and offered by more than half of their members, but numbers here had remained relatively static in recent years (see evidence annexe, Figure 7.1). Forty two per cent of small businesses surveyed by GTI/Step (Phillips and Donnelly, 2013) had taken on one or more interns in the previous year and 72% intended to take on more in the future. The Graduate Talent Pool initiative may go some way to help smaller employers to engage with the higher education work experience agenda. This is a Department for Business, Innovation and Skills funded web-based initiative managed by Graduate Prospects that brings graduates seeking internship opportunities together with employers providing these. The latest evaluation of the initiative found that the primary users of the service were micro enterprises (organisations with less than ten employees, see evidence annexe).

Bespoke analysis of broader employer surveys (rather than surveys of specific types of graduate recruiters) indicated that perhaps the true extent of work experience opportunities was slightly smaller. The latest Employer Perspectives Survey (EPS, 2012) found that just 7% (see evidence annexe, Table 7.1) of all employer establishments in the UK had offered a placement within the last 12 months for people at university[2], or 9% when including internships. However among establishments that recruited young people into high level jobs (a proxy for graduate recruiters), the figure for placements/internships was higher at 28% (evidence annexe, Table 7.5). There were clear size and also sector differences in the likelihood of offering placements/internships, with larger employers considerably more likely to do so. Forty-eight per cent of graduate recruiters with 50 to 249 staff, and 70% of those with at least 250 staff offered placements (evidence annexe, Table 7.6); and establishments in the public sector (education, health and social work and public administration) were also the most likely to do so (evidence annexe, Table 7.4)[3]. There is likely to be a size and sector interaction effect here.

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[1] The Association of Graduate Recruiters' survey defines: 'internships' as placements of usually between 6 to 12 weeks during the summer holiday or other period; 'sandwich or industrial placements' as fixed term periods of assessed, paid work that form part of a degree, usually lasting between 6-12 months; and 'work placements' as periods of work experience, which can be paid or unpaid and are part of a course of study, arranged through a university or an undergraduate for an agreed period of time. See http://www.agr.org.uk/CoreCode/Admin/ContentManagement/MediaHub/Assets/FileDownload.ashx?fid=125071&pid=11533&loc=en-GB&fd=False

[2] The 2014 Employer Perspectives Survey puts the figure at 12% of establishments having offered a work placement for a university student in the past 12 months, and increase on the previous survey. The same proportion had offered placements for further education college students and a higher proportion, 20%, had offered placements for school students. The figure for internships was 6% (although the survey doesn't specify whether these are for graduates only).

[3] It wasn't possible to replicate this analysis for the 2014 Employer Perspectives Survey, but published findings suggest the size and sector patterns persist: 45% of all UK establishments with more than 100 staff offered placements for university students, and establishments in the non-market services sector such as public administration, health and social work and education were the most likely to offer university level placements.

7.2.2 Employers' reasons for offering work experience to students and graduates

Research points to placement opportunities acting either: a) as preparation for recruitment, helping to prime the individual by developing their work-readiness and business awareness, and increasing their attractiveness to employers; and/or b) as a pre-selection activity for employers' main recruitment and selection programmes (AGR, 2013a). Bespoke analysis of the Employer Perspectives Survey (2012) found the most common reasons for offering placements to university students (across all employers) were: to give young people work experience (56%); and moral reasons (to benefit young people and 'do their bit', 33%). Whereas just 26% of employers offering placements to university students did so in order to help with their recruitment and/or use it as a trial period[1]. Yet not all employers could or wanted to offer work experience, and the Employer Perspectives Survey (2012) found the most common reasons for not offering placements or internships were: lack of suitable roles (37%), lack of any recruitment activity (9%) and a lack of time/resources to manage the process (16%); not being approached by anyone about it (21%) or not thinking about it (7%); the perceived bureaucracy and red tape involved (6%) and seeing no business benefit (5%, see evidence annexe, Table 7.11).

As noted in Chapter 3, employers, particularly small-medium sized enterprises, could be critical of new graduates' vocational skills, generic skills and competencies and most commonly their lack of work-readiness and workplace experience (Pittaway and Thedham, 2005; Martin and Chapman, 2006; CBI/UUK, 2009; CIHE, 2010; Nolan et al, 2010; Lowden et al, 2011; CBI, 2013; UKCES, 2014b). This was reflected in analysis of the most recent Employer Skills Survey ('UKCESS', 2013) which showed that whilst only a minority (13%) of graduate recruiting establishments[2] felt that graduates were poorly prepared for work, their key criticisms were that graduates lacked work/life experiences and maturity (60%). Other criticisms were that they lacked the required skills and competencies (39%), poor attitude/personality or lack of motivation (36%), or lack of common sense (14%, see evidence annexe, Tables 3.6 and 3.8)[3]. However it is worth noting how not all recent or new graduates are in their early 20s and taking their first steps into the labour market with no or only limited work experience. Bespoke analysis of the Labour Force Survey indicates that: 31% of recent graduates were aged 30 or older, and 28% had a significant break between their continuous full-time education and their recent higher education experience (see evidence annexe, Tables 2.11 and 2.12). Among these older and more experienced graduates, the employment rates were considerably higher (evidence annexe, Tables 2.16 and 2.17).

Relevant work experience was thus highly valued by employers to remedy these concerns, and appeared to be an increasingly important criterion for selection. Numerous studies of graduate employability (Jackson et al, 2005; Hall et al, 2009; Muldoon, 2009; Lowden et al, 2011; Brooks, 2012a, 2012b; Wilton, 2012) and surveys of graduate employers (AGR,

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[1]   The 2014 Employer Perspectives Survey suggests that whilst altruistic reasons are the most common reasons for offering work placements (to any age/type of individual including university students), corporate reasons for doing so have increased from the 2012 survey, particularly in order to help with recruitment.

[2]   Defined as employers who recruited a graduate within the last two to three years

[3]   This was also reflected in the 2014 Employer Perspectives Survey.

2013a; High Fliers, 2014 and 2015) show that employers overwhelmingly value work-experience and work-based learning as a marker of employability and talent in the graduates they recruit. Indeed the latest High Fliers graduate market report notes how 'Nearly half the recruiters who took part in the research repeated their warnings from previous years – that graduates who have had no previous work experience at all are unlikely to be successful during the selection process and have little or no chance of receiving a job offer for their organisations' graduate programmes' (2015, p26). Similarly research with individuals finds that work experience during higher education studies is associated with more positive outcomes (HEFCE, 2002; Purcell et al, 2013; and BIS, 2013).

Going back over 10 years, placements, internships and work experience were increasingly used as a graduate recruitment method in their own right. This was especially the case in technical, high-skills-intensive sectors where graduates were required to carry out technical functions, such as engineering, information technology (IT), manufacturing and finance (Connor et al, 2003, Purcell et al, 2002). These were sectors where employers found it hard to identify graduates with the right vocational or technical skills set (CBI, 2013; UKCES, 2014a). Similarly, internships were found to be increasingly important as a mechanism for small businesses to assess the potential of individuals as future recruits as well as attract high-calibre graduates into industries/career paths that they might not have normally considered (Heaton et al, 2008; Phillips and Donnelly, 2013). Many graduates were therefore ending up employed in companies where they had previous work or internship experiences; and employers expected to fill many of their entry level positions with former placement students. For example High Fliers research (High Fliers, 2014) found that amongst the UK top 100 employers, 37% of entry level positions for 2014 were expected to be filled by graduates who had already worked for the organisation, either through internships, industrial placements or vacation work[1]. Bespoke analysis of the Employer Perspectives Survey (EPS, 2012) found that 43% of establishments that had offered placements/internships to university students had subsequently taken on at least one individual into a permanent role (either at the end of the placement or the end of their degree programme) in the past 2 to 3 years, rising to two-thirds among larger establishments (see evidence annexe, Table 7.10)[2]. In addition, evidence from a survey in 2013 (unpublished) of registrants of the Graduate Talent Pool service found that for 19% the internship had led to a job with the same employer (that had offered the placement) but for 30% it had led to a job with a different employer (see evidence annexe, section 7.2.3).

Analysis also indicated that having worked for an organisation acted as an important way into further employment with them. The Destinations of Leavers from Higher Education (DLHE) survey for 2010/11 showed how approximately one in five graduates found their

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[1]   Interestingly the 2015 High Fliers survey puts the figure slightly lower at 31%

[2]   The 2014 Employer Perspectives Survey asked a slightly different question, whether employers had taken on individuals into a permanent or long-term paid role following their placement in the last 12 months. It found 21% of those offering placements to university students had subsequently taken on at least one individual: rising to 38% of establishments with at least 100 employees; and was highest among establishments in the hotels and restaurants, transport and communications, and business services sectors. Similarly, 23% of those offering internships had subsequently taken on at least one individual; and the same size and sector patterns were evident as found with placements. However there also appeared to be an increased likelihood of an intern being kept on in small establishments (5 to 9 employees) and in establishments in the financial services and education sectors.

first job after leaving university through having already worked for that employer, either in term-time student jobs or more formal work experience roles. In general this work experience was gained during their studies rather than both before and during their studies or solely before undertaking their studies (evidence annexe, Figure 4.2). Prior employment was the most common method for graduates to find work, more common than personal connections, recruitment agencies or employer websites. However, this route appeared to lead more commonly to non-graduate rather than graduate level work (26% compared with 18%, see evidence annexe, Figure 4.3) When focusing on accessing graduate level jobs, having worked with the company before was a particularly important route for graduates whose parents did not go to university (20% compared with 14% of those where one or both parents has a degree, see evidence annexe, Figure 8.10), or graduates from neighbourhoods with low participation in higher education (23% of those among the lowest participation rates compared with 15% in the highest rates, evidence annexe, Figure 8.12; also see Chapter 8 for a more detailed discussion of social mobility and graduate recruitment and selection approaches). It also appeared to be a more common route into larger employers (20% among those working in companies with more than 250 employees compared with 16% in companies with less than 50 employees, see evidence annexe Figure 4.6), and for graduates of entering engineering, management or social and welfare roles (23, 31 and 25%, see evidence annexe Table 4.5).

7.2.3 The challenges of work experience

Given the apparent importance attributed to work experience by employers, there were concerns raised in the literature about the accessibility of these experiences to all students and graduates. The key concerns were: a) that the demand for placement opportunities in many cases was found to exceed employers' capacity to offer them; b) that there was an uneven geographical distribution of opportunities (for example bespoke analysis of Graduate Talent Pool internships database showed that 50% of internships were located in London with a further 15% in the South East); c) that some forms of work experience (notably unpaid work experience) might be difficult for students from lower socio-economic backgrounds to engage in; and d) that access to specific types of work experience may depend on individuals personal networks (Cabinet Office, 2009; Wilson, 2012; Purcell et al, 2013; Tholen et al, 2013). This had driven changes in policy and practice to enable more paid work experience programmes within undergraduate studies, encourage more and disparate employers to offer work experience opportunities, make access to internships or work experience fairer and increase access to those from lower socio-economic backgrounds by putting in place appropriate funding and support mechanisms to ensure internships are paid (Purcell et al, 2002; Wilson, 2012; CIPD, 2014; UKCES, 2014). One policy driver is the Cabinet Office/Department for Business Innovation and Skills' Business Compact which encourages firms to offer fair access to work experience; and one practical example is the Department's Graduate Talent Pool which brings graduates seeking internship opportunities together with employers providing paid experiences[1] (see also Chapter 8).

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[1] Only charities and third sector opportunities are advertised as unpaid.

7.3   The nature and extent of work experience

The rest of the chapter considers the primary research evidence from interviews with employers and stakeholders.

7.3.1 Extent of work experience

The employer interviews indicated that the majority of those consulted did indeed offer some type of work experience to higher education students and/or graduates, but placements/internships appeared to be more common among the larger companies (those with more than 1,000 employees). The numbers involved varied widely from offering placements to just one or two individuals a year, to one employer who took 400 a year. Many (though not all) of the employers interviewed noted how their numbers of placements/internships had been increasing and how they were anticipating further increases. Some were expanding placement/internship activity into new areas of the business.

7.3.2 Nature of work experience

There appeared to be three main types of work experience characterised by length or immersion in the company and by formal links to study programmes: placements/internships; sandwich placements; and work tasters. Many organisations offered a mix of shorter placements/internships, often taken during the summer vacation, and longer placements which formed part of students' programmes of study (sandwich placements). Some larger employers had a sophisticated array of work experiences available to students and graduates.

- **Placements/internships** lasting between six weeks and 12 weeks. These tended not to be a formal part of individuals' courses/study programmes but offered an insight or route into a particular employer, occupation and career and thus were relevant to their subject of study and/or career goals. They were generally taken between the 2nd and 3rd year, in the summer vacation. However these could be offered to students across all years of study and indeed after graduation (thus constituting the traditional graduate internship). The stakeholders interviewed felt that the connection between employers and students, particularly among the larger employers and seasoned recruiters, was moving to earlier in the higher education journey with 1st and 2nd year students offered and encouraged to take up placements and summer internships. This mirrored employer recruitment activity (see sections 4.3 and 4.8), as employers try to 'pick off' the best potential applicants ahead of their competitors.

  The employers interviewed felt that these work experiences needed to be meaningful, a real job or project, and so they had to be of sufficient length and well organised, thus a minimum of six weeks. Vacation placements appeared to be the most common type of work experience offered, and this could be driven by student demand rather than organisation requirements:

  'The other thing I notice in our application numbers, is that the overwhelming majority are people looking for three month placements… I don't know if that's because people are not doing the old sandwich placement degree course but equally there are some

courses out there with some universities, Oxford and Cambridge most notably, that don't offer courses where people can do a 12 month placement' [Medium-sized employer].

Stakeholders reported how they had seen a shift in demand away from longer placements aimed at those in the latter years of study and also employer sponsorship through studies, both of which arguably offer the best immersion and experience of work. They felt that demand has swung towards shorter and earlier exposures to the workplace and business world. Stakeholders reported concerns that demand for these forms of placement may be outstripping supply. For example one stakeholder spoke of 18,000 students registering interest in just 1,000 placements.

- Longer **sandwich placements** of either six months or one year. These were generally linked to courses and to specific universities. They provided individuals with: the chance to embed within an organisation, link theoretical concepts with practical experience, and undertake large-scale projects. They tended to be offered by the extra large companies (those with over 1,000 employees) and those in the manufacturing and engineering sector, rather than by smaller companies. A variant of the sandwich placement was the shorter study placement or project, offered by employers and again linked to courses and institutions.

- Very short **taster, insights or work-shadowing**, lasting just a few days, which were often targeted at first year higher education students and could run alongside work experience programmes for schools, colleges and apprentices. This acted as a way to provide lots of individuals with a little insight. These appeared to be a relatively new activity for employers and were driven by the desire to engage with students ahead of their competitors, yet for employers in the legal sector these types of work experience – 'mini pupillages' – were well established:

'We will consider people in their first year at university rather than their penultimate years, which I think is a little bit unusual. Because internships are becoming increasingly popular, we are looking to set up things like Spring Weeks for first years so they can come in and work in the organisation just to get some work experience for a week.' [Extra-large employer]

'We are moving away from actually going out there and just targeting those in their penultimate year, because I think from a competitive point of view now, there are a lot of companies that are going out there recruiting first years, and that pool obviously then from the fourth year is a lot smaller, because most of them have already been tied into their organisation three years ago. So we do things a lot sooner than I think we probably were doing even three or four years ago.' [Large employer]

There were hints that more organisations could be involved in offering very short work experience tasters to younger higher education students on a more informal basis but that these could be difficult to monitor or track as they tended not to be coordinated or centrally administered.

Across the employers interviewed, the most common type of work experience offered was a holiday placement, followed by internships after graduation, then sandwich placements and study placements or project work (both integral to study programmes).

Some companies offered work experience exclusively to undergraduate students rather than to graduates or postgraduates, or reported that the majority of those taking up places were students. Instead graduates enquiring about work experience programmes were often directed towards the recruitment schemes.

> 'We don't offer anything to anyone who has graduated… if you've graduated and you're looking for a placement because you haven't got a job yet, and send in your CV, then unfortunately we don't offer them. They have to apply for the graduate scheme.' [Medium-sized employer]

> 'If they're joining us once they've finished university, they're joining us full time on a graduate management programme.' [Small employer]

> 'Usually the summer interns are in their penultimate year, and usually the [12 month] placements are too because of the nature of the sandwich courses that they might be on. But we would also be potentially open to somebody who's already graduated to do a 12-month placement with us. I'd say it is less common, but it's not beyond the realms of possibility.' [Large employer]

This suggests it may be difficult for individuals once they have graduated or for those studying at higher levels of study to access formal work experience programmes. This point was echoed by University Careers and Employability Services stakeholders who felt that summer internships were often not accessible to postgraduate and part-time students as they were already working. Although there were a couple of examples of employers who offered placements/internships to students between their undergraduate and postgraduate studies or to recent graduates and one employer spoke of how work experience schemes should be more inclusive and open to graduates as well as students:

> 'Some people may choose to focus on getting their degree and then worry about employment afterwards, and so they may find that they have lost the timeline for the recruitment cycle that year and they may be open for a placement. I think sometimes also people just want to test the waters before they commit, they might want to see if it's right for them, and doing a years' placement is a good way for doing that.' [Large employer]

7.3.3 Key characteristics of work experience opportunities

Employers described their work experience offers and the main forms of work experience – summer placements/internships and longer sandwich placements – as having similar key characteristics: they involved a real job, offering a real insight into the workplace; individuals were treated as employees although they could attract specific coaching and mentoring support; and, in the main, they were paid. This tended to ensure that placements/internships were meaningful, enjoyable and useful/valuable to both the employer and the individual.

'They obviously don't come and serve coffee; they are full-time employees. They have the same status as any other permanent employees… So, they get all the same benefits in terms of bonuses, benefits, access to free gym, etc. All of that, they get the same. And they do the same jobs as us, they all do real jobs. It's good that we give them valuable jobs because it's the best way to assess whether they would be the right graduates for us.' [Large employer]

'We do make sure they get a good varied experience, we don't just sit them there, doing photocopying or something. We do get them out with businesses, and going to networking meetings and all that kind of thing, and just experiencing what the workplace is really like.' [Medium-sized employer]

'We are incredibly hands-on and work alongside our interns…. This is a real life, full-on work experience for them.' [Extra-large employer]

In terms of payment however, in several organisations the pay appeared to be at minimum wage levels and this could have implications for the accessibility of the placements/internships. Low pay rates could make it difficult for students to travel to work and thus make them more appropriate for local students and graduates. There were some examples of unpaid placements/internships. These tended to be generally very short placements (tasters) and could still attract travel and subsistence expenses rather than a wage, or were found in specific sectors such as the creative media sector. One employer spoke of a bounty payment at the end of the placement rather than a wage, and a couple spoke of placements attracting bursary support from the university rather than from the employer.

7.4 Rationale for offering placements

7.4.1 Importance of mutual benefits

Work experiences were described as offering mutual benefits for both the placement company and the placement individual (which fits with the research literature), and these benefits were seen as the drivers for providing work experience opportunities.

- For the **company**: it provided additional resource; helped them to see the added value that a higher education student/graduate could bring to their business (often leading them to take on more interns and/or graduate recruits); and improved their branding and recruitment as students returning from their placement back to their universities could act as ambassadors for the company: 'We get good brand awareness from internships. If students had a good summer, they will go back to campus and tell their peers' [Extra-large employer]. Critically, it offered the opportunity to assess the potential of the individual over an extended period and in a real work setting (see below).

- For the **individual**, employers felt placements/internships offered them: real-life project experience or experience of the workplace; the opportunity to improve skills and develop new skills, add something to their CV and/or use in their studies; the chance to see if the work and environment suited them (although stakeholders felt this effect of work experience had waned over time as students often needed work

experience and to demonstrate a commitment to a career/occupation or company in order to get work experience); and the potential for a permanent job. Also employers noted how the students and graduates with work experience tended to fare much better in the selection process, even when work experience was not a selection criterion. Individuals with work experience appeared more mature, well-rounded, and interested, and were better able to communicate and articulate the skills and knowledge gained.

Employers seemed keen for individuals to get the most from their experience: 'I guess there's two sides to it, we genuinely do want to help people and give them the skills to kind of progress in a career, the flip side of it is we do want to attract those people to come back and work for us, once they've gone and got their education.' [Small employer]

Some companies viewed offering work experience to young people as their social responsibility (again corresponding with existing research). They acknowledged the challenges faced by young people and new graduates in particular and felt it was important to try and help them: 'that's where the internship was born from really. Looking at the figures last year of applicants and recognising that there's not enough demand in the sector so it came in to supplement that and try and build a new pathway for people into social care'. [Medium-sized employer]

In addition, employers felt that providing individuals with an insight into the type of work they could expect to do as a graduate recruit could also help to manage their expectations, and ensure that those applying for graduate jobs and schemes were committed to the company. Many emphasised the 'win-win' nature of work experience:

'From our perspective we get to road test them, which is quite important. They get insight, six weeks in the life of the consultancy role, and so they get something meaningful for their dissertation.' [Extra-large employer]

'You get the super bright kind of kids who are really switched on, they want to do well, they're hard working, they've got an excellent IQ. And it works both ways because the work, it teaches them about fulltime work, in a sort of highly charged, pressurised, technical environment, but also the type of work that they're doing helps them in their college work, in their course work, particularly for projects and stuff.' [Small employer]

'It's a very good place, actually to gain experience and to network…sometimes graduates will come out and think, oh, I'm just not really quite sure what I want to do really, and so it's a great opportunity to spend perhaps a year with us and just get to see lots of different types of businesses, and it maybe helps you clarify in your mind what it is you want to do.' [Medium-sized employer]

'It's a two way process. So it's whether they obviously enjoy working for the organisation, if they believe it's going to be a potential employer for the future…. But then also in terms of us having kind of an extended interview I guess with them, is what we class it as.' [Large employer]

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7.4.2 Work experience as a selection criterion

As noted earlier (and in Chapters 3 and 6) the employers and stakeholders interviewed reported how work experience is sometimes also one of the requirements used to sift or select during the graduate selection process. This illustrates how employers appear to want more than academic ability: they want candidates who understand the workplace and can apply their skills. However whether the work experience is an essential or desirable criterion, and/or whether this is gained in a relevant occupation or industry or not depends on the employer. As noted in Chapter 3, employers feel work experience gives students maturity, confidence and a broader horizon, helping to prepare the well-rounded individuals they looked for. However, voluntary work and university activities could also provide this.

There were concerns raised by a few stakeholders that in some cases students and graduates need to have work experience, and ideally relevant work experience, in order to gain access to graduate jobs and particularly for jobs in the professions. Thus gaining work experience has arguably become a key aspect of the university experience.

7.4.3 Work experience as a pipeline in itself

Another more direct role of work experience in graduate recruitment is that it has become a recruitment pipeline in itself, not just a criterion for selection. The employer interviews indicated how, for many organisations, offering work experience has become an important part of their graduate recruitment process and thus an essential part of the talent pipeline; and the stakeholders interviewed concurred. Indeed, given the costs and other resources involved in offering meaningful work experiences, organisations tend to want something in return rather than being motivated purely by altruism. Employers noted:

'It [one year placements] is part of our organisation. It is part of our pipeline and the ways that we are going to identify the next chemist/chemical engineers who will start as managers and I think the company is stronger for it.' [Medium-sized employer]

'We use those individuals to feed into our graduate programmes. So it tends to be the bigger programmes, where we've got a bigger graduate need, that we tend to run a placement so we have got a regular pipeline coming through each year, and we are not having to go fresh out to the market each year.' [Extra-large employer]

It does so by offering three key ingredients:

- A head start on the competition. Work experience allowed organisations to engage with students earlier in their academic journey and start the graduate recruitment process before their final year of study (and increasingly activity was directly towards 1st and 2nd year students), essentially beating the competition:

  'The purpose of doing a placement programme is to put the pipeline in advance. We can clearly identify good candidates.' [Medium-sized employer]

  'It is about tapping into the market earlier and making sure we are in the market to get those individuals who are more career focused earlier…. people joining formal graduate programmes in the UK have already had internship opportunities with those

organisations, so career focused graduates will have already signed up to other companies before we can even get into that market.' [Large employer]

- A low risk way of exploring the possibility of taking on a graduate. Some employers, particularly small companies, were not experienced graduate recruiters and were unsure of their demand for graduate level input and/or of the value a graduate could bring to their organisation. Offering work experience would allow them to test whether there was a need and whether a graduate could be accommodated, and could lead to the creation of a graduate-level post. For these employers, offering a holiday placement to a student, or most commonly an internship to a graduate, acted as an easy way to gain exposure to graduates and a way into the graduate labour market. Taking on graduates rather than students into internships offered employers particular benefits. Employers could fit their offer around their business needs by being flexible around when to start and end the period of work experience, rather than being governed by the academic timetable. In addition, taking on a graduate meant that individuals would not be leaving to return to university and be 'out of reach'. One employer noted:

  'They've [department] only taken on their first internee last year. He was just coming towards the end of his PhD and a very, very intelligent chap, very very exciting ideas about things…before they took him on as an internee they couldn't quite see the value of it…but now they said they don't want to lose him, let's keep him. They offered him a job and it's a very good salary. I would have said this time last year they would not have recognised the value of what he has brought to the company…they were willing to give it a try but they weren't convinced. They're now convinced.' [Extra-large employer]

- A method to trial or 'road test' the individual. Stakeholders noted how employers could use internships/placements like an extended job interview or assessment centre. Work experience was less risky and resource intensive than taking on a graduate into a permanent post, either direct to a job or on to a graduate scheme, especially for smaller employers. It could allow employers to short-cut or substantially shorten the graduate recruitment process or try out individuals who they are unsure of:

  'What we did initially was we took him on for a month just to see how it went. We have just extended that to a six months internship to see how it goes and at the end of that, it might lead to a researcher job or he might decide actually this work is not for me. It is basically an opportunity for both of us to try each other out.' [Extra-large employer]

  'We've actually just offered an internship to someone who is actually in their third year, and we weren't sure necessarily if they would be right for a full-time position but we gave them the opportunity to find out. So they are gaining work experience and then a potential job at the end, and we're gaining an insight into the way they work.' [Extra-large employer]

  'It [summer placements] is basically a four to six week working interview.' [Extra-large employer]

'However lengthy and in-depth graduate selection processes are, you still can't beat the reality of having someone in the building for six weeks doing the job or something close to it.' [Stakeholder]

In one case, work experience was specifically targeted at under-represented groups to help them to achieve diversity within their main recruitment process: 'We have Summer Placement Internships, so that is for people from diverse backgrounds. It is for three months over the summer and it's to give them a kind of head start when they come to the assessment process in October.' [Small employer]

7.4.4 Reasons for not offering work experience

There were some examples of employers who did not offer placements/internships, or certain types of work experience, and this tended to be due to: a) a perceived lack of resources to be able to offer suitable experiences for individuals or to administer the process fairly; b) that placements/internships would need to be excessively long in order to provide a true experience; or c) that they would be costly as they would need to be paid and with no guarantee that the individual would want to stay on:

'The shorter times just don't work with the project lifecycle that we work with here. A summer placement for eight weeks really wouldn't be getting anything out of it and neither would we… they would end up just doing the photocopying.' [Medium-sized employer]

'We don't have a work experience scheme… you have got to have it up and running fairly, ie people apply, you have criteria, you interview but also you have then got to give them work experience…. the work experience they would expect.' [Small employer]

'It's just so time-consuming... We could possibly, but the trouble is, it takes six to nine months, really, to become useful, at which point someone leaves. And there's no guarantee they're going to come back. So we've been a bit hesitant to do that.' [Small employer]

These findings tend to correspond with the existing research although there was no real evidence of lack of placement activity driven by not thinking about it or not being encouraged to offer work experience by other organisations.

7.5 Importance of retention/progress rates

It was often important for employers to convert interns into graduate employees, and indeed many of the employers interviewed were clearly very successful in getting placement students to come back and work for them. There were examples of employers quoting rates of 65% and above (up to 95%) converted into employees. This implies that in many firms individuals on work experience programmes had a very good chance of becoming a permanent employee when they graduate (higher than perhaps indicated by the existing literature), and work experience is a key route into organisations.

'We are obviously aiming where possible to bring people that have done a placement year, where we have already invested that 12 months with them, onto our graduate programme once they have graduated… at the end of the day if we've paid somebody for a 12 month programme and then we lose them to another organisation we're not getting any return on that. So the aim is to get people back off the placement and we have about an 80% return rate that we are very pleased with.' [Extra-large employer]

'We do actively work quite hard at converting them. Because if we don't, another company is going to snap them up because they know they [students] have had a year of great training.' [Small employer, has a conversion rate of 60-65%]

'We take 20 interns and of the 20 I would expect 17 or 18 will probably be recommended to join, and the other two will decide it is not for them rather than say they are not up to standard.' [Large employer]

'We are very, very keen to get students to come and do a placement, an internship, with us and then transfer them into a graduate role after graduation… Looking long-term, for every graduate we need, we would try to get three interns, and that is a good ratio because it means we cover the students who may not like [company], we cover the ones that we don't think are top performers. So, that's the ideal ratio.' [Large employer]

'There is no point in investing in that year for that person to then go somewhere else. We use that year to win their hearts and minds, we stay in touch with them.' [Small employer]

'We have really, really high conversion rates. So we have I'd say 90-95% of the people who come in for an internship with us join as graduates.' [Large employer]

A key aspect to retention was continued engagement/contact beyond the placement period. Indeed, the pressure for retention led one organisation to sponsor successful interns for the final year of their degree study before returning as an employee, and another to encourage talented interns to work with them part-time until they finished their final year at university: 'if you find someone exceptional that you want to hold onto then it's worth giving them that little carrot' [Large employer]. Other employers spoke about how they worked to stay in touch with the students in their first and second years who had undertaken work experience with them. They did this by offering further placements, project work and/or part-time work to keep former placement students engaged until the organisation was ready to make them a permanent offer. However employers recognised that the placement/internship could act as a trial period for the individual too, and they may therefore decide that the environment or work is not right for them, or receive an offer from another recruiter, so 100% conversion was not always possible or desirable.

Similarly employers reported how not all of their graduate recruits came from their work experience programmes. For many organisations their graduate intake will include a combination of previous interns/work placement students and new hires who will not have worked for the company before. Some companies had much lower actual and target conversion rates of between 20 and 25%. For some this was intentional:

'We appreciate that there are a lot of good people out there who didn't manage to get an internship or decided to get an internship somewhere else so we are conscious that just because they've done an internship with us doesn't mean they're the only ones we should be looking at.' [Small employer]

However for others this was due to a perceived lack of success or limited progression routes:

'We only have two areas that we're recruiting graduates into, and we have people on placements in other areas where they wouldn't necessarily have a scheme to go onto.' [Extra-large employer]

7.6 Application and selection processes for work experience

The approach used to market and select individuals for work experience opportunities depended on the degree of formality of the process and the kind of work experience on offer, and also the process generally used for graduate recruitment.

7.6.1 Formal versus informal approaches

For some organisations, placements were a relatively new activity or very small-scale activity so tended to operate on an ad-hoc and informal basis with no widespread marketing, advertising or formal selection. These employers were recruiting small numbers of individuals for a short placement/internship as and when the need arose and could be triggered by a suitable candidate contacting them. In these cases individuals were informally assessed often just by reviewing their CV or by personal references:

'Most summers we'll take on somebody local who is doing their degree course for work experience… they tend to come through either contacting us directly because they are looking for something local or sometimes it comes through personal contacts… We knew this guy locally who was trying to find work actually in a related but not particularly in our field so we offered him an internship with us as a way of offering him some experience and also for us to plug a gap that we had at the time.' [Extra-large employer]

'We have provided a few people who have approached us with short-term project work. They are usually quite good at it but we don't say, well we will take on two every summer… it tends more to be either somebody happened to phone us up and we happened to have a project. Or they are known to us or write to us.' [Extra-large employer]

However for many others, work experience was something that they had been offering for some time, and the process appeared to be becoming more formalised (and more costly) over time to ensure equality of access and quality of candidates. This was particularly the case when larger numbers of placements/internships were offered. Indeed one employer described how they had clear guidelines for offering work experience that restricted

informal placements to ensure fair and open competition, and another noted how they had signed up to the Business Compact[1]:

'We're starting at the moment actually so we are just starting very small… we have signed up to the Business Compact because our level of internships that occur in our UK business tended to be through referrals from directors… which certainly wasn't producing or finding the best talent. We have established a formal route that people go down, so when we get those referrals now we send them in the direction of the formal channels. We ensure that positions are openly advertised so that people are given fair access to applying for them rather than being filled by nepotism.' [Large employer]

7.6.2 Recruitment and selection processes

Those with more formal approaches described how their work experience recruitment and selection process mirrored, or was integral to, their main graduate recruitment process. Also, where there had been changes to their main recruitment and selection approach, this was echoed in their approach to work experience. This was driven by a number of reasons: a) the process was often operated by the same team within the company so was an effective use of resources; b) because the organisation was looking for the same type of individuals, with the same (though perhaps not as polished) skills; and/or c) because work experience students were seen as an important source of graduate recruits.

The process of recruiting and marketing of work experience opportunities therefore involved employers advertising on relevant national websites and their own websites, working with specific, often local, university careers departments and academic departments to raise the profile of the opportunities and/or gain recommendations for particular students, handing out flyers and information packs during campus visits/careers fairs, and word of mouth (similar to the channels and activities outlined in Chapter 4 undertaken for recruitment to graduate programmes). Those offering only one or two placement opportunities or longer sandwich placements tended to work closely with selected university departments to reach out to students and fit in with the course requirements for work experience. Some employers worked with local universities to market their work experience opportunities out of a consideration of geography and mobility, and some employers also spoke of working with regional agencies to advertise their work experience as well as professional bodies and charities. Examples include Graduate Advantage in the West Midlands; GO Wales in Wales, the Institute of Civil Engineering; and the Prince's Trust.

In terms of making an application for formal work experience opportunities, many employers required individuals to apply through their main graduate recruitment portal and complete the same application form. Work experience applicants then followed a similar

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[1] This refers to the Social Mobility Business Compact: 'The Business Compact asks employers to open their doors to people from all walks of life, regardless of their background. It was announced in 2011 as part of the Deputy Prime Minister's Social Mobility Strategy to promote fairness and equal opportunities for all. The aim of the Compact is to encourage behavioural change in organisations, to ensure jobs are open to everyone.' It involves raising aspirations, improving skills and creating jobs, and recruiting fairly and openly. See the factsheet at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325817/Social-mobility-business-compact-fact_sheet_july_2014_pdf.pdf

selection process to that used for employers' main graduate selection process – some combination of application form, tests, practical exercises eg presentations, interviews and assessment centres (see Chapter 6). In some instances the placement selection process involved the same stages but used lower criteria (eg lower requirement for work experience), and in others it had fewer stages, a condensed version, often skipping the more costly elements such as assessment centres. This meant that students applying for work experience had a real experience of the graduate recruitment process. It also meant that employers had begun to assess these individuals as potential graduate recruits:

'In terms of the vacation programme, it's exactly the same again. Same level, same criteria that the graduates have to meet… it is used as a stepping stone for the graduate programme so we assess them in pretty much exactly the same way… apart from a shorter assessment centre.' [Medium-sized employer]

'I think there is more wriggle room for interns, in terms of we're not looking for the complete package.' [Extra-large employer]

'When we were looking for the internship it was about their communication style, it was about their enthusiasm. Because obviously they've not got much experience, so it's more about their personality and how they would fit with the culture of the business.' [Medium-sized employer]

'… because ultimately at the end of their 12 months, if it's all been successful, they'll get a position on our graduate programme, we actually put them through an identical process to the graduates… we have slightly different cut-offs and hurdle rates at the assessment centre stages, to take into consideration that they're that much earlier on in their career journey. And obviously then once they've completed the 12 month programme, if we're not in a position to say: Yes, this person is right for our organisation, then something's gone badly wrong along the way. So basically they go through the same process.' [Extra-large employer]

'The last three or four interns we've had have all been really really good, so that kind of verifies that fact that we'll spend like a full day in the selection process, rather than just getting them in for a quick hour's interview each.' [Small employers]

'It's the same process… it's really just that when people come on a vacation scheme obviously they're a bit earlier in their studies. What we are looking for is a slightly lower level'. [Large employer]

7.7   Paths from work experience into employment

As noted above a key driver to offering work experience was to provide suitable candidates for graduate recruitment. The employers interviewed talked about assessing work experience individuals throughout the placement/internship period, and looking at real performance in the workplace, to determine their potential as graduate recruits. This included gathering feedback from the colleagues that students and graduates worked with as well as via formal appraisals, assessment exercises, and often a formal assessment at the end. Employers were looking for: good work ethic, adaptability, and those willing to try new things; hunger for work, interest and drive; resilience and tenacity; self-management; those who ask questions and challenge ideas; specific skills such as research,

communication and analysis and/or technical skills; and critically, commitment to the company (all very similar to the qualities and skills employers look for in graduates, see Chapters 3 and 6). Stakeholders noted how employers also used the period to assess cultural fit with the organisation (ie shared values and behaviours). This assessment, coupled with an initial rigorous selection process to get onto the placement/internship ('they have done most of the hard work upfront' [Extra-large employer]), meant organisations were able to make a decision about whether individuals could progress within the company. This formal and 'serious' approach was welcomed by stakeholders as it was felt to broaden access to work experience. Successful individuals could then be fast-tracked through the graduate recruitment process (missing out some elements) or offered a graduate job or place on a graduate scheme. Thus for those employers with sizeable work experience intakes, real selection is moving back to the point of deciding about work experience candidates with a lighter-touch process following work experience:

'They will be performance managed in the time that they're here, they will have regular one to ones regarding their performance, objectives will be managed in exactly the same way as any other employee. Obviously it is a little more concentrated. A normal employee would only have a one to one every month, whereas these interns get one once a week.' [Large employer]

'It [placement selection process] may seem overkill but given that potentially these are feed-ins to graduate roles. Whilst it is not guaranteed, if you do a good job on placement with us and you want to come back the following year, and we want you to come back the following year, we will just invite you back the following year without having to go through any further selection.' [Medium-sized employer]

'After that [the placement] we will do a panel assessment… if they perform very well, they will be given a green pass to the final round selection on our management training programme.' [Medium-sized employer]

'… they fast-track. If we know at the end of the summer they'd like to apply for the graduate trainee scheme we can start off the selection process for them straight away and also they skip the first two stages – they don't have to do the application form again, they don't have the telephone screening or the face to face interview, they just go straight through to the technical interview. So they actually can have a job under their belt before they go back to uni.' [Extra-large employer]

Where employers required successful interns/placement students to undergo further assessment before being offered a graduate job or place on the scheme, this appeared to be driven by the desire to ensure parity, that all graduate recruits had experienced the full selection process (albeit over an extended period), and also fit, that they were placing the individual into the correct role.

'We've got previous work experience people who really want to get into the organisation and they've come back to us and applied, and their evidence is a lot more relevant. They know what we do, what the organisation's about, and what we are looking for….We are quite careful in terms of just because they've worked for us before they're not top of the list, but there's that evidence there already and they're showing that in their applications.' [Extra-large employer]

'They'll come over the summer for 10 weeks across various different functions. And they tend to do a project, so something that they can see through from start to finish, usually they then present to the leadership team. And the idea of those is that the really good ones we will offer a place on the grad scheme the following year. So it's a really good way to try before you buy. See actually how an individual performs and fits within the organisation. And right now we have the longer ones [placements], so individuals who are here for 12 months as part of their university degree. And, again, if they perform well then we offer them a place on the graduate scheme once they've completed their studies.' [Extra-large employer]

7.8   Concerns around the role of work experience

The stakeholders interviewed raised a number of concerns about work experience and its role in graduate recruitment.

- Firstly, as the pressure for gaining work experience is placed on students earlier and earlier in their academic journey, stakeholders felt employers could be making lasting decisions about individuals who are very young and unformed: 'the internship system which is tied into graduate recruitment is really saying "we want people who know, aged 19, that that's what they are going to do for some time to come"'.

- Secondly, there is now the situation whereby students need to have work experience in order to gain relevant work experience. One type or period of work exposure might not be enough and leaves little room for students to change their mind about the career/profession they want to follow. One stakeholder felt that short taster sessions (two to four days) or work-shadowing opportunities would help students get a feel for different jobs and the work environment.

- Thirdly, stakeholders felt that for some employers, placements/internships have become the sole entry route to their graduate level employment as they recruit entirely from their internship programmes, although this was not prevalent among the employers interviewed in this research.

- Finally, they felt that there had been little discussion to date around the social mobility consequences of placements/internships particularly where specific universities are targeted for interns (eg employers are returning to their old university to recruit), where internships are obtained via 'word of mouth' application or involve alumni in networking/mentoring, or where they are unpaid. There was a feeling that this could still exist in some sectors (eg creative sector): 'there is still a whole underbelly of unpaid interns, people who are being brought in through all sorts of unofficial, unmonitored routes'. Again, the employer interviews indicated that although informal approaches did exist, many employers were moving to using formal, more transparent and broader approaches to recruit to work experience programmes; and it was rare for placements to be unpaid, but they could be relatively poorly paid.

Stakeholders worried that students with no work experience could be excluded from many graduate opportunities, as this becomes an additional minimum requirement to reduce the number of applicants; and there was little evidence among the employer interviews to the contrary.

7.9   Plans for change in the provision and role of work experience

Whilst many employers were happy with the extent, nature and success of their work experience provision, others were looking to make changes:

- A couple of very large employers were planning to offer undergraduate work experience programmes for the first time. Both had offered opportunities for school and college leavers but wanted to take on higher education students whom they felt were more mature and less resource intensive to support.

- Several reported that they intended to increase the size of their work experience programme, increasing the numbers taken on and also broadening provision into new areas of their businesses. One employer felt that broadening into new areas would raise awareness of the different opportunities available in the company, and would be a feeder into their graduate scheme. Another reported how this was part of their general growth strategy and to stay 'one step ahead' of their competition but also was part of their commitment to tackle youth unemployment and give more individuals opportunities to gain employability skills.

- Some employers were looking to improve their conversion rates. This could involve making the selection process for work experience more robust to be sure of commitment and quality. One employer noted how they aimed to improve the monitoring and assessment of their interns (whilst on programme) to better understand the benefits they bring and their potential as future recruits.

- One employer was looking to introduce longer work experience opportunities, up to six months, in order to provide a real insight into the business and allow a fair assessment of their performance.

7.10   Key points: work experience

- The majority of employers interviewed, large and small, offered work experience opportunities, by which we mean placements or internships during or after study. These were generally aimed at undergraduate students rather than postgraduate students and/or graduates. There was a tendency for larger recruiters to move further and further back down the talent pipeline, looking to encourage students in their first or second year of study to take-up work experience opportunities with them.

- The number of opportunities offered appeared to be on the increase, especially vacation placements aimed at students. Some employers in the interview sample, particularly small employers, were planning to offer work experience to undergraduates for the first time as an important and low risk way into the graduate labour market. Others were expanding their programmes, increasing the numbers taken on and broadening provision into new areas of their businesses.

- There were three types of work experience offered prior to graduation: the most common were six to 12 week placements usually termed summer vacation placements or internships offered to graduates and particularly to students (so after or

during higher education study); then longer placements of six or 12 months generally linked to specific four year higher education courses; and a relatively new development appeared to be very short tasters, insight or work-shadowing opportunities aimed at young students (pre-university or in their first year of study).

- Good work experience was expected to: be meaningful, offering real work tasks, projects and insight into the workplace which required a minimum length of exposure (this could differ according to the organisation); be supported; involve treating individuals as employees; and be paid (at least the minimum wage). This meant that providing work experience could be resource intensive and could limit the number of placements offered, deter organisations altogether, or drive organisations to focus on the potential outcomes.

- It was important to employers in the study that work experience provided benefits to individuals as well as to the organisation. However a key motivation for many employers for offering work experience was to provide suitable candidates for their graduate recruitment process. Offering work experience allowed employers to engage with potential recruits earlier in their academic journey and ahead of the competition, and provided a method to trial or road test individuals before committing to a place on the training programme. Work experience could therefore act as a pre-application stage for employers' main graduate selection process. This implies a shift from work experience being about providing relevant skills to individuals who will be available in the graduate labour market to training and picking off individuals before they hit the open market.

- For many employers in the study it was important to convert placement students/interns into graduate employees, and the employers interviewed mostly retained well over half their project/placement students or interns. Conversion involved either fast-tracking suitable placement students/interns through their graduate recruitment process, or offering graduate jobs/places on a graduate training scheme at the end of the work experience period (to start upon graduation). For students earlier in the academic journey it could also involve offering repeated work experience or part-time work to keep individuals engaged with and interested in the company right up to graduation.

- There appeared to be an increasing formalisation of the work experience selection process which was not only hoped to ensure equality of access but quality of candidates (who could eventually become graduate employees). Employers were tending to use a similar application and selection process to their main graduate recruitment process, albeit with perhaps fewer stages or lower selection criteria, to allow for easy transfer from one assessment process to another. In addition, employers tended to build in assessment throughout the work experience period. This continual assessment coupled with an initial robust selection process helped organisations to make effective conversion decisions.

- There was a recognition among employers that not all work experience individuals could be converted as some will decide the work is not for them, but also that not all should be converted in order to allow graduate places to be filled by the open market.

8 Diversity and social mobility

8.1 Introduction

This chapter moves on from looking at the specifics of graduate recruitment and selection practices to explore the cross cutting theme of diversity. There are concerns, especially in public policy circles, that employers' efforts to manage their graduate recruitment and selection processes in an efficient and effective way could run counter to both their own and public policy diversity agendas. Policy concern is especially high in the established professions and in terms of social mobility as well as gender and ethnicity. This chapter looks at the inter-play between graduate recruitment and issues of diversity and social mobility. It investigates how employers' conceptions of social mobility and diversity affect their recruitment and selection practices and the impact that employers' practices may have on diversity and social mobility within their workforces. Of particular interest is how, if at all, employers are monitoring social mobility as part of diversity monitoring.

Social mobility is defined as the movement of individuals, families, households, or other categories of people within or between social strata in a society. It is a change in social status relative to others' social location within a given society (Wikipedia, accessed December 2014). It is explicitly problematised in policy documents as the degree to which the patterns of advantage and disadvantage in one generation are passed onto the next (see Opening Doors, Breaking Barriers: A strategy for social mobility, Cabinet Office, 2011).

The chapter begins with some general findings on employers' views about higher education and social mobility. It then considers employers' perception of the role and importance of diversity and social mobility considerations in graduate recruitment and selection, and the nature and extent of diversity monitoring including perceived challenges in such an undertaking. The interactions between recruitment and selection practices on the one hand and diversity and social mobility on the other are explored. These are presented as a series of challenges and emerging strategies. Here aspects of the recruitment and selection process are examined including the marketing approach, targeting of universities and colleges, screening on academic credentials, and use of specific selection methodologies such as tests. The chapter closes with views on who is responsible for action, and employers' plans for change to take more account of diversity and social inclusion in graduate recruitment.

8.2 Setting the scene

8.2.1 Unequal access to higher education

Existing research exploring diversity, social mobility and higher education highlights how social background continues to affect individuals' chances to access higher education, and also the type of higher education experience they have (Gorard et al, 2006). Research showed how

inequalities in access to higher education for those from lower socio-economic groups worsened during the 1980s and 1990s but narrowed somewhat in the 2000s (Machin and Vignoles, 2004; Galindo-Rueda et al, 2004; Archer et al, 2005; Raffe et al, 2006). Bespoke analysis for this research using the Destination of Leavers from Higher Education (DLHE) survey and focused on UK domiciled first degree graduates also found an improving picture. Although graduates were still more likely to come from areas where higher education participation was high, there was an increasing proportion of graduates from the lowest participation quintile of local areas over time (see Chapter 2, Figure 2.3); and the latest Higher Education Statistics Agency Performance Indicators for widening participation suggest the student profile continues to broaden over time. This suggests that efforts to increase the proportion of young people in higher education from lower participation areas have been successful to some extent. However there is still some way to go as the recent analysis undertaken by the Higher Education Funding Council for England (HEFCE, 2013a) outlined that, despite increasing participation rates amongst the most advantaged and disadvantaged young people, the difference in participation rates still remains at around 40 percentage points.

It is also important, especially when considering how employers target institutions in recruitment (as discussed in Chapter 5) to realise that university admissions data shows more socio-economically advantaged young people were disproportionally more likely to attend a high status institution (Raffe and Croxford, 2013).

8.2.2 Unequal access to graduate jobs

Beyond the question of access to higher education, a key issue of research interest is whether, for those who do gain access, participation in higher education acts as a social leveller, granting all graduates equal opportunities to enter and succeed in the graduate labour market; or whether other factors, such as employers' recruitment and selection practices, intervene to perpetrate pre-existing structures of disadvantage, or create new ones.

The research literature and bespoke analysis of national data on graduate destinations (using the Destination of Leavers from Higher Education survey) finds that social background, mainly but not wholly mediated through education achievement, continues to affect graduates' outcomes in the labour market.

Evidence from surveys of successive cohorts of graduates (Elias et al, 1999; Purcell and Elias, 2004; Purcell et al, 2005; Purcell et al, 2013) has generally found that socio-economic background did not appear to exercise an independent effect on employment outcomes post-graduation. This was measured in terms of graduates' chances to be in graduate level occupations at least two years (but up to seven years) after graduation. Instead the impact of socio-economic background has been found to have an indirect effect, as outcomes were mediated by factors strongly correlated with socio-economic background such as: entry level qualifications, type of institution attended, type of course undertaken and class of degree attained. The exception however is the study by Macmillan and Vignoles (2013) who analysed Destinations of Leavers from Higher Education survey data. They found that at six months after graduation, social background did not directly impact upon occupational outcomes, when controlling for other individual characteristics. Yet three years after graduation, they found a significant and independent

effect of graduates' social class (along with the type of school attended) on their chances of accessing high status occupations – a finding which is of key interest for this research.

Purcell et al's (2013) Futuretrack study found no significant differences in graduate employment on the basis of socio-economic backgrounds but did find significant differences in the probability of engaging in extra-curricular activities by social background. These activities, such as travel, volunteering, work experience or postgraduate study, were argued to provide extra value in the graduate labour market and to be associated with positive post-graduate employment outcomes (see also Chapter 7 for a discussion on the role of work experience). However less socio-economically advantaged individuals may not have equal access to these opportunities as they can rely on the ability of an individual to use personal networks, be able to work for free or be geographically mobile (Tholen et al, 2013; Cabinet Office, 2009).

Bespoke bivariate analysis[1] of Destinations of Leavers from Higher Education survey data from 2010-11 (for UK-domiciled first degree graduates) undertaken for this study, highlighted that graduates from areas with higher rates of participation in higher education – usually characterised by a higher level of economic affluence – were more likely to have positive outcomes six months after graduation than those from lower participation areas. At this time, graduates from more affluent neighbourhoods were more likely to be in full-time work or further study and less likely to be out of work than those from less affluent areas (see evidence annexe, Figure 8.4). They were also more likely to be in a job which they felt required their degree (see evidence annexe, Figure 8.6). However it should be noted that these results should be framed in the context of recession[2]; and may be influenced by other associated factors. Other differences associated with social background (and related characteristics) included:

- Graduates from high participation neighbourhoods were more likely to be working for smaller organisations six months after graduation, whilst those from lower participation areas were more likely to be employed by large organisations (see evidence annexe, Figure 8.5). This is likely to be influenced by routes taken into jobs:

  o Graduates from higher participation areas were more likely to find jobs through personal networks (evidence annexe, Figure 8.12), which constituted a main method of accessing graduate vacancies at smaller companies (small-medium sized enterprises, evidence annexe, Figure 4.6). In contrast, graduates from lower participation neighbourhoods and from less selective institutions were more likely to return to a previous employer after graduation (those they worked for before and/or during their studies, evidence annexe, Figures 8.12 and 8.13), especially in

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[1] These are bivariate relationships so, whilst unequivocal, they do not control for other factors such as type of institution attended and subject studied which can sometimes mediate outcomes.

[2] Although HEFCE's interactive tables and charts for the full-time first degree 2011/12 and 2012/13 graduating cohorts from English higher education institutions indicate that slight differences persist. It was not possible to replicate the bespoke analysis using HEFCE's interactive tables but those from low participation neighbourhoods (using POLAR 3) in these cohorts were found marginally: less likely to be in full-time employment, more likely to be in part-time employment, less likely to be in a graduate level job and more likely to be in a job not requiring a degree level qualification 6 months after graduating. See http://www.hefce.ac.uk/analysis/supplydemand/destination/

sectors such as social work and retail. Returning to an employer was a common method of securing graduate level work in large organisations (second only to employer websites).

    o   Going back to a previous or current employer could be seen as positive, securing employment for less advantaged graduates and using their work experience and contacts within the company to give them a foothold in an employer they know. However returning could also be seen as negative, especially if they return to the same kinds of non-graduate work roles they have had previously, essentially trapping them in non-graduate jobs. The data suggest that both scenarios are occurring. However analysis would indicate that a) graduates returning to a previous employer are more likely than those gaining employment with a new employer to be in a non-graduate job regardless of socio-economic background; and b) that those from high participation areas returning to their employers are less likely to be in a non-graduate job than those from low participation areas (see evidence annexe, Figure 8.14).

- Graduates from high participation neighbourhoods were also disproportionately more likely than their counterparts from lower participation areas to be employed in London (see evidence annexe, Figure 8.8), where the most highly paid graduate employment opportunities were concentrated. Indeed, over a quarter of graduates from the highest higher education participation area were employed in London compared with 13% of those from the lowest participation areas.

- Graduates from high participation neighbourhoods were also found to be over-represented in graduate roles in a range of industries, particularly business and finance, marketing and public relations, scientific research and development, engineering, and the arts (see evidence annexe, Table 8.2), which constituted some of the most sought-after and best paid graduate jobs.

8.2.3 The relationship between recruitment/selection practices and social mobility

There are concerns expressed in the policy arena that employer behaviour could be adversely affecting social mobility. This is perhaps most strongly expressed in the work led by Alan Milburn as part of the Cabinet Office sponsored work to encourage social mobility to create a fairer society.

> How employers go about recruiting and selecting their employees helps to determine the sort of people they employ. Ideally, those processes should be neutral and should produce outcomes that match business need with candidates' capability. This does not always happen. All too often the way the professions go about recruiting and selecting reinforces rather than reconfigures the socio-economic make-up of their workforces.
>
> Fair Access to Professional Careers: A Progress Report, Cabinet Office, 2012, p23 ('Milburn Review')

The research literature and bespoke analysis of published data points to a number of trends in graduate recruitment and selection practices which may (inadvertently) have adverse implications for diversity and social mobility: a) targeting elite universities that tend to enrol fewer students from lower socio-economic backgrounds; b) use of informal networks in recruitment (and/or to bypass the selection process); and c) use of specific selection methods (assessment centres and competence-based tests) in which those from more advantaged backgrounds may be better able to compete:

- The literature – although some of it is now quite old - indicates that targeting higher education institutions on the basis of perceived reputation and academic rigour was common amongst certain recruiters. Universities' different entry requirements appeared to play a role in shaping some employers' perceptions of the quality of graduates. Yet Hesketh (2000) found an absence of statistically significant evidence to link type of university attended and employer-rated job performance, which raises potential issues for social mobility due to the relatively limited diversity of students in elite institutions (AGR, 2013a; Connor et al, 2003, Browne, 2010; Hesketh, 2000; Cabinet Office, 2009 and 2012). Research from the mid-2000s found sectors such as finance and banking were focussing recruitment on traditional, 'old' universities (Connor et al, 2003; Dawson et al, 2006) and may be motivated by the perceived 'fit' between certain forms of socio-cultural capital and a sector's image, leading employers to recruit in their own image (Ashley and Empson, 2013). Bespoke analysis of Destinations of Leavers from Higher Education survey data for 2010-11 showed that graduates from high entry tariff institutions were considerably more likely to find a graduate level job through their university careers services than graduates from less selective institutions (see evidence annexe, Figure 8.13) This may reflect differently resourced careers and employability support services, but could also reflect employers' preference to target their resources at graduates from the most selective institutions via their career services. See also Chapter 5 for a full discussion of the extent and implication of targeting practices.

- Graduates' 'social capital' appeared to play a role in shaping their chances of accessing employment opportunities. The Fair Access to Professional Careers consultation revealed that some firms continue to give financial incentives to employees to refer people they know to the recruitment process (Cabinet Office, 2012). Bespoke analysis of Destinations of Leavers from Higher Education survey data (2010/11) also showed how graduates whose parents had attended university were more likely to use personal contacts and networks, or effectively make use of careers services, to find graduate level jobs, whilst first-generation graduates relied much more on external recruitment methods, such as agencies and websites (evidence annexe, Figure 8.10). See also Chapter 4 for a full discussion of marketing and attraction mechanisms.

- Specific selection methods could negatively impact on those from lower socio-economic backgrounds. The research literature indicates that the use of assessment centres and competence-based tests may disadvantage applicants who lack the necessary self-confidence to present themselves in unfamiliar settings (Purcell et al, 2002). Similarly work by Browne (2010) found that white, male, privately schooled candidates were found to be more frequently advantaged in accessing fast track

schemes with greater progression opportunities; and some selection methodologies, such as psychometric tests, may have a differential impact on the potential performance and scores of certain groups. Research suggests that the adverse impact of testing in relation to gender, race and ethnicity can be reduced through the use of Situational-Judgement Tests or strength-based approaches. These approaches measure non-cognitive as well as cognitive ability and other behavioural traits, and thus put women and Black candidates at less disadvantage than purely cognitive-based tests (Lievens and Coetsier, 2002; Pulakos and Schmitt,1996; Whetzel et al, 2008). It should also be noted that if interviews are used instead of tests, the risks of – albeit unconscious – discrimination are probably higher. See Chapter 6 for a full discussion of selection methodologies.

There has been an increase in policy attention to the issue of social mobility in graduate recruitment with several key higher education and employer bodies producing best practice guides to support improvements (Association of Graduate Careers Advisory Services, Association of Graduate Recruiters and the National Union of Students (2006); and the Chartered Institute of Personnel and Development (2013b, 2013c)). The Cabinet Office's Business Compact forms a key part of the government's social mobility initiative. Recommendations for employers include:

- directly engaging with university careers and employability services and students

- wide advertising and widely-promoted alternative opportunities to complement higher education institution-based activities

- prioritising skills and competencies over sociocultural attributes (Purcell et al, 2002).

Others suggestions included:

- widening recruitment activities rather than recruiting from too narrow a range of universities

- reviewing parameters used in pre-interview filters

- considering using the Higher Education Achievement Report (HEAR, which can provide greater granularity of achievement) in the selection process (Cabinet Office, 2011; and 2012).

In addition a number of organisations, often charitable, have been established to show disadvantaged people the range of opportunities open to them, and to inspire them to achieve their ambitions (such as the Brightside Trust). A number of initiatives in key sectors have also been introduced in response to the Milburn Reviews to attempt to make access more fair to the sectors that they represent. The latter includes work in the areas of: accountancy (by the Association of Accounting Technicians, and the Institute of Chartered Accountants in England and Wales); Medicine (British Medical Association); Law (The Law Societies of England and Wales, Northern Ireland and Scotland via the PRIME initiative, the Chartered Institute of Legal Executives, the Legal Services Board, and the Bar Standards Board); Insurance (Chartered Insurance Institute), logistics (Chartered Institute of Procurement and Supply); Engineering (Engineering UK, and the

Institution of Engineering and Technology); teaching (Institute for Learning); and management (the Institute of Leadership and Management). Much of these initiatives focus on broadening pathways into employers beyond graduate entry (to non-graduates), but could also include: encouraging young people to consider professional careers and supporting them in their studies, providing access to work experience, monitoring socio-economic data, implementing training in fair recruitment and selection processes and publicly stating a commitment to equality and diversity (see www.totalprofessions.com).

The Fair Access to the Professions Progress report noted how a cultural change in recruitment behaviours may already be operating among some of the larger employers and professions where there has been a 'galvanised effort' to engage with the fair access agenda (Cabinet Office, 2012). However at present there is little literature/concrete research available concerning take-up of best practice or the impact of best practice in addressing social mobility. This may be driven by the lack of systematic monitoring of candidates' social background (Cabinet Office, 2009, and 2012). Indeed, bespoke analysis of the Association of Graduate Recruiters membership surveys (generally representing large and experienced graduate recruiters) found that in 2014, just 15% of their employers monitored the socio-economic background of new graduate recruits (using indicators such as first generation graduate or whether privately educated or attended a state school); 24% had plans to monitor this aspect of background for the first time in the coming year but a further 50% did not and had no plans to do so (see evidence annexe, Figure 8.1). However, since the survey first explored this aspect in 2012, the proportion monitoring socio-economic background of recruits has increased. These surveys also showed that, in 2014, 34% of membership companies had initiatives in place to increase the socio-economic diversity of graduates and the proportion had increased from 24% in 2012 (see evidence annexe, Figure 8.3)[1]. It would appear from the existing research that employer practices may be lagging behind the policy drive for social mobility.

8.3   Does access to higher education confer social mobility?

The rest of the chapter considers the primary research evidence from the interviews with employers and stakeholders.

Employers' views on social mobility and diversity and on the role of Higher Education in this respect matter greatly. These varied views do seem to be influencing employer practices. Among the employers interviewed, social mobility in relation to socio-economic groupings had not gained as much traction or recognition as the more well-established indicators of diversity – gender, ethnicity or disability.

Indeed, a considerable sub-set of employers interviewed did not see questions of social mobility as relevant to graduate recruitment, as they viewed participation in higher education as of itself a 'leveller', something which equalised the effects of social background. Therefore, these employers thought of graduate recruitment as, defacto, providing a diverse, equal pool of potential graduate recruits by virtue of candidates having

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[1]   Similarly the latest High Fliers report (2015) suggests that 29% of the UK's 'Top Employers' in 2014/15 had targets for social mobility. This compares with 61% with targets for diversity (eg gender and ethnicity).

attended higher education. Some explained that, once a graduate was in front of them, they regarded them as having been afforded the same chances and being on a par with any other graduate applicant.

'The university market as a whole provides a wide and diverse range of applicants.' [Extra-large employer]

'Once they get to graduate level, you see, once they've gone to university, then they're all on a par, I guess, no matter the background.' [Extra-large employer]

Yet the assumption that equal opportunity has been afforded to all through participation in higher education may underplay structural inequalities. Although candidates approach selection processes from an apparently wide range of backgrounds, employers may not see those for whom the barriers inhibited their application; or those who do not learn about recruitment opportunities as they did not have access to the same (or relevant) social networks and information resources as their more advantaged peers. Without sufficient monitoring data of applicants, including those who are unsuccessful, it is hard to draw solid conclusions. To put this in context, one public sector employer who did track social background amongst applicants highlighted that less socio-economically advantaged students submitted fewer applications and tended to do less well in the selection process: 'often because they don't do as well at university or school, so it's linked to that' [Extra-large employer]. This suggests that university attendance alone may not be sufficient to drive social mobility.

However, this research revealed that for certain large, public-service, customer-facing and professional service organisations the 'social mobility agenda' had begun to have greater salience in shaping their approach to recruitment and selection. It was clear that there was still some way to go to establish pro-actively inclusive practices amongst the majority of employers interviewed.

For some employers concerned about social mobility, graduate recruitment was not seen as a suitable vehicle to achieve diversity. They felt that higher education alone could not ensure full social inclusion, as those from less socio-economically advantaged backgrounds 'are not getting into universities' [Extra-large employer]. Indeed, the same employer felt that speaking of 'under-privileged people who are at university' is 'a bit of an oxymoron'. Employers subscribing to this view tended to approach the issue in terms of their whole workforce, rather than thinking of social mobility solely in terms of graduate recruitment. Indeed one approach considered by some employers was to broaden their intake by introducing alternative entry routes, such as apprenticeships or opening schemes to non-graduates (which fits with the initiatives outlined in the wider research literature).

'Looking at opening up [our scheme] to those who haven't gone to university will also do that. Not everyone has the opportunity to go to university, but that doesn't mean they can't have a very successful career.' [Large employer]

'We're keen in a way [to have apprenticeships] because of all the social mobility-diversity side.' [Extra-large employer]

This move to tackle diversity through alternative pipelines worried one stakeholder, who thought there might then emerge a polarisation between those entering companies as graduates, and those entering through another routes: 'Most of the people we work with are eligible for free school meals [and] we don't tell people to apply through School Leaver routes, because it hasn't been proven that you can rise within the firm as easily as you could as a graduate' [Stakeholder].

8.4 Graduate recruitment and selection practices and diversity

Employers' views on the interplay between diversity considerations and graduate recruitment and selection practices varied widely amongst those interviewed. They ranged from those who tended to view considerations of diversity with a certain degree of scepticism, to those who displayed a great deal of awareness, consciously reflected in their practices and for which they articulated clear business cases.

Indeed, among the employers interviewed, approximately half felt that diversity was not really an issue for them. Other employers were fairly evenly split between those who felt it was somewhat important and those for whom it was a significant consideration. It was noticeable that it was the larger employers (those with 250 to 1,000 employees, and particularly those with more than 1,000 employees) who tended to be concerned about diversity. There were indications of sector differences too, with diversity featuring more importantly for employers in: the manufacturing/engineering cluster; the transport, IT and communications cluster; the business services clusters; and especially the public sector cluster. However in relation to social mobility (rather than diversity more generally) more than half of the employers were not really interested, and it tended again to be the larger employers and those in business services or the public sector who were most interested in social mobility issues.

A number of factors could be identified as shaping and driving employers' attitudes towards diversity. These included: perceptions of meritocracy, views on existing diversity of the workforce, business strategy and supply-related issues. Each is discussed in turn below.

8.4.1 Not important: merit not background

A key theme that emerged from the interviews with employers was that many shared the notion that questions of diversity, especially in relation to individuals' social background, were not appropriate or important in their recruitment and selection processes for graduates – particularly in the selection stages. For these employers, there was no link between their primary drive to look for the 'best' candidate in terms of ability, and directly considering diversity in their recruitment processes. Indeed, for some employers concerns of diversity and candidates' backgrounds were felt to be directly at odds with their dominant idea of 'merit', seen as the cornerstone of their processes. Therefore, there was an unwillingness to interrogate the issues, particularly those concerning social background. Similarly there was an unwillingness to factor diversity into selection criteria as these employers considered that they were acting fairly by focusing on merit:

'I wouldn't even ask that question. As far as we're concerned, we're interested in the person that stands in front of us, their skills, their abilities and their tenacity… I don't think we've ever asked anybody questions about their background, in that sense. I would hope not. I would really hope that's not an influencing factor.' [Small employer]

'We're looking at the quality of the applicant… so the background really isn't relevant, as is the sex, race etc., we're just thinking about the person.' [Large employer]

8.4.2 Not important: already diverse

Another theme from the employer interviews was that some felt diversity (and social mobility) was something they did not need to address. Employers described how their workforce was already (visibly) diverse. It was not uncommon for such employers to pinpoint the varied nationalities or ethnicities of their employees in describing the diversity of the workforce. Alternatively, several employers described the gender variation across different departments in the organisation, which in combination provided them with what they felt was a gender-balanced workforce irrespective of whether some departments were (for example) all-male.

8.4.3 Important: part of the business strategy

While many employers did not consider diversity to be a relevant theme in their recruitment or selection practices, for some a business case seemed to be emerging which foregrounded diversity and social mobility considerations in their recruitment strategies. For these employers achieving diversity among their recruits was seen as integral to their business strategy, and as a factor which added value in many ways. One stakeholder emphasised that such a conception is crucial if social mobility is to gain widespread traction. In particular, the business case was made in cases where customers, clients or service-users came from many different socio-economic or cultural backgrounds. It was felt by these employers that clients would welcome the opportunity of having contact with someone who was better placed to understand and identify with their experience. Employers contextualised this notion in terms of ethnicity, gender and nationality, as well as social background:

'Our workforce really needs to reflect the communities in which it works… Historically, business has proved that if you're diverse, you're going to be more successful. So, that's one of the reasons why we do that. It's good from a customer loyalty perspective, brand branch image. Sustainability. All of that sort of stuff.' [Extra-large employer]

'It's the right thing to do. We want to represent our client… From a business perspective, diversity can drive innovation as well'. [Extra-large employer]

'The biggest concern is that our workforce doesn't reflect our community and, because that's where we're out and about all the time, it's really important that when people see us or phone us, that they are seeing or speaking to someone that is potentially reflective of where they come from… Apart from it being good for all of the… internally, decision making, diversity, you'll probably get better ideas, creativity.' [Extra-large employer]

Alongside the ability to better represent a client base through having a diverse workforce, more subtle benefits were noted such as: having a larger range of skills or approaches to

draw upon; having more options to find the right person for different jobs; encompassing more language skills; facilitating innovation and drawing on the lessons learned from a wider range of life experiences.

However, it is worth noting that on the theme of representing clients, one employer revealed how this business need may negatively impact on diversity and social mobility considerations. Several stakeholders also mentioned this same issue – that clients can be used as an excuse for not promoting workforce diversity.

> 'If we're dealing… which we are… with what tends to be a middle aged, middle class, wealthy clientele, they tend to want to be dealt with by people who have certain social skills, shall we say? So, in that respect, it's quite important, in our industry, face to face, to have that persona.' [Small employer]

8.4.4 Important: but it is not our fault

Some employers contextualised the difficulty they had in tackling diversity alongside various issues concerning the 'supply' of suitable graduates. This supply challenge referred to either the wider labour market or the pool of applicants that were attracted to them, and employers explained that they could only recruit from what was available to them.

Employers described difficulties with the wider labour market but also with their local or regional labour market. For example, some employers explained that the demographic profile in their region or county led to challenges in recruiting a diverse workforce. Notably, several rurally based employers explained that the lack of ethnic diversity in their locale meant that they did not have a particularly high proportion of minority ethnic employees. Similarly, scientific and technical employers noted the difficulty they experienced in the wider labour market in addressing gender imbalances in their workforce. They strongly emphasised that there was not an even pool of potential applicants to tap into, despite their endeavours to reach out to candidates:

> 'When you go out to campus there are much fewer females that study engineering anyway, people say go out and get more females – well that's all well and good but they're not out there in the first place, so that's harder.' [Large employer]

> 'It's really difficult finding women in IT… I think it's difficult in all technology… Hardly any of our customers are women and when I go to conferences and it's like there are 2,000 people and 100 of them are women.' [Small employer]

Some employers felt that graduates self-selected themselves out of particular sectors, and felt that perhaps their sector was viewed as a 'closed book' by some sociocultural groups or minorities. It was thought that these graduates did not consider these routes as a viable option due to 'brand' or 'image'.

> 'The youngsters themselves have closed their minds to certain industries or certain sectors… my impression at the [employment fairs at senior schools] was that the youngsters were saying that's a closed book to me, rather than the employer or the university saying we are closing our book to you'. [Small employer]

'Where I struggle is changing a mentality, so we are up against, at the moment, particular ethnic groups who do not see [our profession] as an aspirational career… I haven't done a good enough job yet, with particular ethnic minority groups, with particular cultural groups and groups of parents that will not let their children go on my programme, through to particular [disciplines].' [Extra-large employer]

'My experience of being at the young student fair was that you'd get a group of women that would come along and look at our stand, look at our banner, and you'd hear them go "IT" and walk off.' [Small employer]

Several larger companies described how they felt an elitist stereotype of their business was off-putting, and they struggled to broadcast a contrasting message to students who may be dissuaded from applying.

'There is an issue about perceptions and awareness, people perceive our role as slightly elitist at times and that may put people off.' [Extra-large employer]

A stakeholder agreed that students may self-select out if they saw an organisation targeting universities other than their own, 'whereas, if you've never seen them, do you discount yourself?' [Stakeholder]. Another stakeholder elaborated that universities work to get students from all backgrounds to apply to prestigious firms but felt more effort was required from the employers themselves.

Difficulties around the right to work in the UK, was a further aspect which employers felt limited the diversity they were able to achieve. Many employers could not justify or afford to support non-EU visas, so did not have as wide a range of nationalities within their workforce as larger, more global recruiters.

8.5 The nature and extent of diversity monitoring in graduate recruitment and selection

Monitoring of candidates' demographic characteristics and social background was not a widespread practice across employers, and the degree to which it was carried out amongst those who did varied. Approximately half of the employers interviewed did not either track or evaluate diversity characteristics in their graduate recruitment process, rising to around three-quarters who did not monitor social background. It tended to be the larger employers that undertook monitoring or evaluation, and those in the public sector and business services. These findings largely mirror those noted above relating to employers' concerns about diversity and social mobility in particular.

8.5.1 Employers who monitored diversity

Some of the employers interviewed did track diversity statistics, and to a notably lesser degree, information about social background. These, on the whole, tended to be large employers who used confidential and voluntary equal opportunities forms to provide aggregate statistics. This was often part of a drive to capture information on the whole workforce rather than solely collecting data on graduate recruitment and selection process:

'Obviously you don't see that information on somebody's application form – it's information that was gathered at a higher level. There is work within the diversity and inclusion agenda within the organisation, yes, but that's not just for grads, that's for the wider population.' [Large employer]

'We wouldn't do it for individual applications, so it wouldn't necessarily be associated with individual names, because it's not part of the selection, but we would track it in terms of monitoring, from our perspective, where people are coming to us from, from what backgrounds and from what areas, I guess, so that we can make sure we're representing our communities in the right way.' [Extra-large employer]

Thus some organisations used tracking to further their ambitions to broaden overall diversity in their workforce. Here trends of those applying, selected or employed were noted and could be benchmarked against key demographics of interest. Monitoring in this way was used to facilitate discussions about changes in the balance of new entrants or the workforce in general, and could lead to a refocusing of recruitment attention towards areas that may be lower than anticipated or desired. One stakeholder commented that they felt that budget restrictions were curtailing the ability of employers to follow-up, monitor or review their statistics. Very rarely did monitoring involve the setting of targets.

'If it showed [a gap] then we would say we need to do more work on attraction and disability issue[s], we need to look at what is happening, where are they failing, how we can improve their performance, what skills we need to try and help them with.' [Extra-large employer]

'We don't have set metrics that we need to achieve or anything, but we do look at stuff and to be really honest with you, this stage we're at, at the moment, it's starts off highlighting areas we want to focus on.' [Extra-large employer]

There appeared to be sectoral differences in the importance of social mobility. Two legal sector employers displayed some of the most proactive approaches, and described how they now published their diversity statistics online, which meant they were accessible to the public. The same approach was also demonstrated by a public sector employer, who published diversity data and success rates for each stage and each scheme. However it is unclear from the employer interviews the extent to which employers were influenced by the findings of the Milburn Review(s) and the resulting spotlight on the professions. One stakeholder felt that 'I don't think the Milburn review is really a driver, but... there has been a more general conversation around social inclusion... and that has helped to encourage firms to become involved in it' [Stakeholder].

8.5.2 Employers who did not monitor diversity

The majority of employers did not track diversity (which fits with the established research literature). For these employers there did not appear to be a strong rational for the lack of monitoring, beyond the feeling that it was not a necessary procedure. Such employers instead described diversity in terms of a 'gut feel' about the workforce profile instead of referring to the collection of particular metrics. For some employers, monitoring of diversity or social background was not deemed appropriate and/or felt to be at odds with selection on merit (as noted above):

'We don't want to be seen to be discriminating in any way shape or form and it's easier for us to just take every single application and judge it purely on the merit of its suitability for the role rather than look at whether it's diverse or not.' [Medium-sized employer]

'[Social mobility is] not something that we even consider or take into account. Every person is taken on their merit and we don't ask for that information, we haven't got that information, and even in terms of our monitoring information, that is taken off the application forms.' [Medium-sized employer]

Another cluster of interviewees had little to no knowledge of their company's approach to tracking diversity, including whether it was taking place or not. Most commonly, it was seen as an 'Human Resources issue' – 'that sounds like a Human Resources question to me' – and thus devolved/separate from the practice of recruitment and selection. Even for those that knew some data was being noted, the centralising or outsourcing of this meant some of the employer representatives interviewed were unaware of what criteria were included in the monitoring:

'I don't think we [have] actively chosen not to. If it is, or was done, it would be done by the Human Resources operations team.' [Extra-large employer]

8.5.3 Challenges in tracking diversity

Particularly in relation to monitoring social background, there was a reasonable degree of uncertainty and even discomfort, amongst employers who were currently monitoring gender and ethnicity. Some felt they would not know exactly what question to ask about social background or how graduate applicants would feel about being asked. Indeed they also did not know how they would follow up on what they found. Employers were also concerned that it would be costly to introduce more data into their systems. Nevertheless, even amongst those who were reluctant or expressed reservations, some felt that having such information would be beneficial.

For those employers who were tracking social mobility – through the proxies of receiving free school meals or being the first in their family to attend university – they were not wholly satisfied that these measures were the most appropriate. Indeed, one stakeholder recognised this was a very tricky issue and that companies were finding it hard to measure.

'I think the measures are very difficult. The thing about your parents have gone to university … I think that's a false measure… the other thing is there is an assumption that Black and minority ethnic (BME) candidates [come] from a poorer background… they're not realising it's a much more complicated picture than that.' [Stakeholder]

Additionally, for many of the employers who reported capturing information on social background, this was a fairly new development or recently introduced practice (which again is reflected in the Association of Graduate Recruiters membership survey findings). This meant that it was 'early days' to identify any real internal trends, and there was a lack of external data on which to benchmark progress. Many employers thus explained they were waiting to be able to investigate what the data could tell them about their practices.

One exception was a legal employer who had started to gain hard evidence to support their new initiatives:

'We've seen a big increase… in the number of people who we've recruited who are the first [in their family] to go to university or went to a state school, so we're really pleased with the results that we can see so far.' [Large employer]

8.6 Social mobility: challenges and strategies for graduate recruitment and selection

This section considers the challenges for social mobility inherent in specific aspects of employers' recruitment and selection practices, describing employers' perspectives on the impact practices have on diversity. It also captures how diversity concerns had played a role in altering or reviewing recruitment and selection practices; essentially the attempts employers made to improve diversity and/or take account of social mobility by reshaping their practices. These moves were often prompted by the results of monitoring or tracking activities or where certain practices were found to have led to underrepresentation of some groups. Changing practice could involve small adjustments to the selection process or indeed a complete overhaul of the entire process:

'We have been so critical of ourselves and we've taken such a systematic approach of reviewing every single element of our programme to ensure that there are no barriers.' [Large employer]

8.6.1 Marketing and attraction strategies

The current challenge

As noted above, a key area of challenge for employers was their ability to attract a diverse range of potential candidates and applicants. Thus employers' concerns around diversity mainly manifested themselves in terms of their recruitment drives and the way these were managed. In most cases, these employers recognised that the diversity of the workforce in their sector was somewhat limited, and saw it as important to take action (where they could) to partly rectify this at the marketing and attraction stage.

However the desire to broaden reach, which could lead to an increase in applications, might not be universal across employers. Indeed a stakeholder reported that many of the employers they worked with were already receiving large numbers of graduates of high calibre and so could not see why they would wish to double the number of applications they receive. However, it was noted that once changes were implemented in terms of broadening their diversity of intake, employers' reactions tended to be positive:

'Usually they find themselves pretty quickly amazed – 'ooh, these people from university X are just as good as university Y' – OK, they may bring different skills and attributes, but that's valuable to my business' [Stakeholder]

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Current strategies

Current strategies for employers, including increasing diversity, were often interpreted to mean opening doors or reaching out to graduates who may not otherwise submit applications. These employers perceived a need to focus extra attention towards certain socio-economic or cultural groups in order to better promote either their own organisation or careers within their sector to individuals who did not currently consider them a viable option.

> 'Opportunity to apply is the important thing. You make that opportunity as wide as you can afford to.' [Extra-large employer]

There were a number of practices and approaches that employers were trying in order to broaden their reach and appeal: a) making their messages more inclusive; b) using staff to act as positive role models; c) advertising online; d) using specialist support; and e) engaging with schools to broaden the talent pipeline.

- **Inclusive messaging** and changing the way the organisation was presented through advertising and marketing. This took the form of removing gendered connotations in advertisements, putting individuals from underrepresented social groups prominently in materials, or being explicit in vacancy information that applications from minorities would be welcomed:

  > 'We welcome diversity amongst our staff to reflect the nature of… our users and stakeholders, therefore we would particularly welcome applications from people from black, Asian and minority ethnic backgrounds and people with disabilities who are underrepresented in our workforce.' [Small employer]

  > 'We made sure that our attraction strategies ensured we weren't exclusive. Or that we were inclusive in our use of languages. And pictures... little things like that, the use of female images, and specific messages within the FAQs [Frequently Asked Questions]. That talk about welcoming applications from women.' [Extra-large employer]

  However, not all employers were comfortable with this approach. One, who despite feeling confident that a student who was the first in their family to attend university would enjoy working at their company, did not support the idea of promoting this distinctly in recruitment materials: 'you can't put on an advert, we're looking for someone from a diverse background' [Extra-large employer].

- **Use of positive role models** for under-represented demographics and the deliberate encouragement of applications from diverse backgrounds. Role models were generally existing members of staff. For example engineering and technical employers would engage with universities and colleges by using ambassadors or role models to engage female students and to promote a gender inclusive brand on campus. It was recognised that an all-male campus team would be detrimental to attracting female applicants. For at least one employer, these activities had produced a positive effect: 'It has improved our gender statistics in the business and helps to have a more diverse workforce' [Large employer]. Another example was provided by

a legal firm who drew upon their 'network internally of individuals who are happy to talk about their disabilities' to promote 'a very much inclusive and open environment' [Large employer]. Engaging with university clubs and societies was a fairly new recruitment approach which employers found to be a beneficial and effective way of tackling particular demographics which had been found to be under-represented. For example, one large employer in the consultancy sector outlined how they had formed connections between Afro-Caribbean societies in universities and their Afro-Caribbean network within the firm to better portray their place of work as one that was inclusive.

- **Advertising online** was used to widen a potential pool of applicants, beyond those who could be reached via on-campus marketing activities. Interestingly, this may not have been deliberately used by employers to widen applicant diversity but has resulted in applications received from a wider range of institutions and from a broader cohort of graduates and students (see Chapter 4). Online advertising provides the capacity to present an inclusive message to all potential candidates: 'we are open to anybody applying… so, then it's an open contest… we actually put it out there totally.' [Medium-sized employer]

- **Using third parties to provide specialist support**. This primarily involved linking with organisations with particular expertise, experience and knowledge in working with students from diverse backgrounds or on specific aspects of disadvantage. Working in this way allowed employers to target particular demographics of interest, such as disability, ethnicity, gender, sexual orientation, or indeed, social background. These third-party organisations included: Sponsors for Educational Opportunities, Rare Recruitment, Pathways to Law, the Social Mobility Foundation, PRIME commitment, Bright Futures, Blind in Business, My Plus Consulting and Pure Potential. These specialists were viewed as better placed to know the most professional and empathic ways of approaching diversity issues. Employers also used external agencies to outsource initial parts of the recruitment and selection process such as sourcing and sifting candidates in order to request shortlists that would meet a diversity brief. One such external agency involved in recruitment highlighted how they felt big companies in the City (London) were now looking at diversity, and recognising the business impact of having a very imbalanced gender profile. They did, however feel it was: 'not [our] job to do social engineering' when it came to social background. Agencies could also be used to target a broader range of universities. This would provide some employers with a route into universities with a more diverse student cohort, where they may not have the resources available in-house to do so.

  'A number of partner organisations that we work with… help identify students and to organise events and to help get our messages out to a wide range of students so that they can know about the opportunities and have that equal access.' [Large employer]

Those employers which did engage with third party organisations to reach out to specific demographics of graduates were very positive about the outcomes gained, finding the students to be just as able and passionate as those that had been afforded more social or cultural advantage. Despite these efforts, one legal employer did raise their concern that it would be some time before the impact of changes could be

perceived; noting that it may take well over a decade for the most recent hires to reach senior partner level.

- **Engaging with schools**. Some employers felt diversity was challenging to achieve because of a lack of individuals from diverse backgrounds/demographics being attracted to a specific subject disciplines. Most commonly this related to gender and technical or scientific occupations. Employers recruiting in the science, technology, engineering and mathematics (STEM) industries frequently took deliberate steps to tackle the issue by working with school or colleges prior to students entering higher education. These 'for the good of the sector' motivations endeavoured to promote underrepresented pathways to young people at an earlier stage, before it was thought to be too late to change perceptions and attitudes. These employers also engaged with higher education institutions to promote an inclusive brand (see also Chapter 4 for a discussion about wider pipeline activity).

8.6.2 Targeting Higher Education Institutions

The current challenge

The approach taken by employers to targeting higher education institutions can have important repercussions in terms of diversity and social inclusion, given the persistence of significant links between individuals' socio-economic background and the type of institutions attended (see above; also see Chapter 5 for a full discussion of employer/university interactions and the extent and nature of university targeting).

The interviews with employers uncovered fairly limited evidence that indicated employers targeted solely elite/high entry tariff universities in their attraction strategies or in their selection practices; or viewed them as necessarily producing the most able students. This was at odds with the views of several stakeholders, who felt a degree from a Russell Group university was important in order to access some of the [top] graduate programmes. Instead many employers recognised that the opportunity for students to attend elite institutions was limited and that strong candidates were spread across the full range of universities.

> 'Not everyone gets the opportunity to go to what would be considered the top universities, but that does not necessarily change who they are as an individual, or their achievements or capabilities.' [Large employer]

> 'Great talent goes to other universities. There's reasons why, not just academically why, everybody can't go to Oxford or Cambridge, or those top universities.' [Extra-large employer]

> 'If they then have a diverse background, they've been in one of the less well regarded universities, but they've done a lot as students, they bring that background of diversity... they would be in much quicker than somebody that's just been in Oxford and has an outstanding degree but has done nothing else'. [Small employer]

Although one employer noted:

'If you're Manchester City, you want the best players on the pitch, so why would you exclude people, just because they once played for Manchester United. I always found this a bit of a nonsense – people go, "we don't look at Oxbridge, or we don't want people from private school." I'm thinking, why? They're probably really good. Just because our school system advantages some and disadvantages others, it doesn't mean you shouldn't take them if they're the best people to take.' [Extra-large employer]

Several employers explained that in their view, restricting one's pool of applicants in this way was problematic for both social mobility and diversity and also did not make good business sense. It was felt that a focus on elite institutions would make it harder to both reach and select students from less socio-economically advantaged backgrounds. Additionally, it was seen to replicate established intake patterns (of inequality) and leave no room for variation. One employer noted:

'If you're only going to look for people who've got a first, or a first in business management, at five particular universities, then … you're going to be hiring the same people year on year.' [Extra-large employer]

Despite this inclusive narrative, there was in parallel the assumption of the added value of graduates coming from an elite/high tariff institution. For example, one employer suggested their selection criteria should be based on a 2:2 from a Russell Group university being equal to a first from any other institution.

'I'm generally going for top universities, and peers, because I think that they will be able to give us the kind of calibre of student that we're looking for.' [Medium-sized employer]

'Our education director would be very much looking at the university that they come from, which would have a bearing whether it's a top 10 one or not' [Extra-large employer]

Therefore, for some employers reputation of institution continues to be used as a proxy for ability. Although of course this is an unreliable indicator of potential, employers are not irrational in assuming that courses which are the most difficult to get into are likely to contain higher densities of students of above average ability.

Stakeholders working in universities were concerned about the impact of targeting, for example:

'There is a perception of risk... the perception that people from a disadvantaged background represent a risk to hire, and therefore you go for people that have a certain level of [qualifications] and a degree from a certain university' [Stakeholder].

Finally, although the examples of employers selecting or privileging applicants from certain elite institutions was scarce, some universities were still more heavily targeted than others by employers, largely as a response to limited budgets for recruitment activities (as highlighted in Chapter 5). This may still, indirectly, pose problems in terms of social mobility and diversity by unintentionally restricting the pool of candidates who hear about specific opportunities and are encouraged to apply. As noted in Chapters 4 and particularly 5, employers can target universities not out of notions of quality but due to geographic proximity and provision of certain courses. Some engineering and technical employers

who needed to recruit highly specialised scientists or engineers formed allegiances to particular universities.

Current strategies

A key practice highlighted by some employers to expand diversity amongst graduate hires was the targeting of, and building of close relationships with universities not commonly conceived as 'elite' institutions. Interacting with institutions thought of as less prestigious was envisaged by employers as likely to extend their potential pool of applicants. A few employers went further and deliberately targeted universities which were seen as having a more diverse student body in order to reach greater numbers of particular underrepresented social groups; some provided formal or informal mentoring through such universities. As noted above, employers could use external agencies to support them in identifying and working with these universities.

'I think by not targeting the top ones you could argue that we are diverse… We do take from across the spectrum so I guess we consciously do that.' [Medium-sized employer]

'A lot of the universities [we target are] the post 92 former polytechnic universities, Sheffield Hallam, Oxford Brooks, Nottingham Trent… they're going to be attracting students from a wider range of backgrounds than the Russell Group type universities.' [Extra-large employer]

'I'll give you an example: I have a young Aston undergraduate I'm mentoring, and he can't get an industrial placement, and he's very go-getting, yes, very go-getting and doing a business degree, and wants to do this, and he sent me his CV and I just read it and just said, I can see exactly what the problem is.' [Small employer]

'In some, depending on the relationship we have, and how open the university is, we will do guest lectures, or work with the business school on projects. Or go in there and do case studies with them. We do skills awards. We work on mentoring programmes. So we're quite heavily involved in widening participation programmes at universities.' [Extra-large employer]

8.6.3 Screening for academic credentials

The current challenge

The common practice of screening applicants during the initial stages of the selection process on the basis of academic credentials – whether A-levels or degree classification – could also be seen as having potentially negative implications in terms of shaping the diversity profile of the graduate intake. Employers often set cut-off points or essential eligibility criteria based on academic indicators to reduce application volumes whilst increasing the quality of applicants; interestingly, this was more common among small-medium sized enterprises than larger companies (see Chapter 6 for a detailed discussion of sifting on academic credentials and the rationale for doing so). Indeed, one stakeholder described the use of 2:1 degree classifications as a screening tool as 'weapons of mass rejection' [Stakeholder], and another emphasised that 'they're using academic criteria as a screening tool. But it does cause some challenges in relation to recruiting from an ethnically diverse population' [Stakeholder].

Additionally, there was a general feeling that looking for certain A-level results, UCAS tariff points or specific degree classifications de facto limited the diversity of potential applicants and could exclude less socio-economically advantaged students. However, such employers explained that whilst they recognised this, 'at the end of the day those are the skills we need, so I don't quite see a way round that one... even our admin staff have got good degrees because it's the nature of the business that we're doing' [Small employer].

Current strategies

Although not widespread among the interviewed employers, a practice felt to help increase diversity was not rigidly requiring a 2:1 degree classification as a minimum criterion for applicants. Removing specific degree classification requirements was perceived by employers to create a process that was 'open to anybody' [Medium-sized employer]. This was often coupled with a more holistic assessment of an applicant. Some employers did not use A level grades or class of degree as a filter but rather included it in a whole bundle of data (including test scores etc.) in deciding who to invite to their final stage of selection.

8.6.4 Selection processes

The current challenge

Several employers spoke of how different aspects of their selection processes may tend to curtail the diversity of their applicants. Application forms could pose problems, in that a lengthy, competence-based form might advantage graduates from professional families, whose parents would be better placed to provide assistance.

Using tests at varied stages of the selection process should, in theory, be the fairest way of selecting the abilities sought – much fairer than either subjective assessment of a CV or personal interviews. However some employers felt that more socio-economically advantaged candidates (eg Russell Group graduates, or those who had been to more selective schools with higher exam results) had certain cultural capital that helped them perform better in tests. Even where employers had endeavoured to develop an inclusive recruitment process without bias, some had found that more socio-economically-advantaged students fared better in selection tests. The problem here is that if those students do develop higher levels of attainment in numerical and verbal reasoning and situational judgement – which are after all the real skills employers test for – they are bound to do better in the test:

'If you're a student who's gone to one of [Europe's] top universities, and you speak English fluently, you're probably going to ace the tests.' [Extra-large employer]

'We have found just ourselves over the years that the people who have got the best GCSE, A-level results and then gone to one of the more elite universities, that just translates into doing better at technical tests and stuff.' [Small employer]

In addition, employers also highlighted their apprehensions around ethnic or gender biases present in some testing processes. It was recognised by employers that research has shown how some ability tests have an adverse impact on minorities, or underrepresented social groupings. For example, one employer which used a numeracy test in their initial stage of selection had found that 'on the whole women under-perform' [Extra-large

employer], and others noted that assessment centres and high verbal reasoning pass scores have a negative impact on Black and minority ethnic (BME) candidates. A number of the concerned employers, generally larger in size, were engaged in analysing their procedures to identify how the processes were impacting social or cultural demographics in reality:

'Part of what we validate each year… [is] look at the diversity mix that we've got coming through and… check to ensure that our tests are not adversely discriminating against any particular gender or ethnicity.' [Extra-large employer]

One stakeholder, however, was concerned that although employers may be aware of potential adverse effects of testing on diversity, they may be doing little to address the potential biases: 'a sort of observation they've made and know to be true, but they're still using it none the less'.

Current strategies

There were indications that employers were making attempts to remove unconscious bias in their selection process, particularly in their interviewing and tests, as:

'It's about fighting for the underdog… or making sure those that don't have family connections [are supported]… the third generation income support families won't have a clue about the range of careers that are available. So they can't advise their siblings or their children.' [Extra-large employer]

Some of the changes described included:

- **Changing the amount of candidate information available to interview panels**. At the extreme this involved removing details such as names or universities attended from applications, or even having entirely CV-blind interviews. This was a positive move in the view of one stakeholder. At the other extreme some legal employers had begun to consider including more contextual information, such as school attended or employment status so that partners doing the selection would understand better who was showing high potential against the social odds.

- **Reviewing the skills and composition of their interviewing panel**. One employer explained that they were planning an evaluation of their processes to find where bias may be entering, following the discovery that a previous interview panel had been entirely male. Two stakeholders were particularly concerned about unconscious bias in selection interview panels. They were unsure how well trained in diversity matters recruiters (at each stage of the selection process) were, particularly company's own line managers. They also felt that employers had little budget to address this issue with real dedication.

- **Using reserved places or specific schemes** on the basis of demographic factors, in recognition of the structural barriers faced by certain groups of applicants. For example, in relation to disability, one public sector employer operated a guaranteed interview scheme:

'We're a double tick employer anyway… some of our graduates, if they have a declared disability and they meet a minimum criteria, they'll automatically go through to the next stage.' [Large employer]

Another (extra-large) employer introduced both an entry scheme for disabled people and specific work experience schemes for candidates from underprivileged backgrounds to provide support and practical experience. This was a deliberate undertaking in order to combat underrepresentation in the workforce and labour market. Another employer had an alternate application scheme alongside a competency based form: 'that allowed individuals who were exceptional in terms of their ability, but perhaps hadn't displayed that in terms of academic ability, to have an opportunity to showcase that potential to us' [Large employer].

- **Moving to a strengths-based approach to assessment**. As noted in Chapter 6 many of the large employers used a competency-based approach to selection based around core competencies deemed to be required for the role (and often developed on the basis of existing employees' performance). However a small number of employers reported how they had moved towards using strengths-based or situational judgement tests to assess potential rather than evidence current skills and aptitudes (again see Chapter 6). This shift was also recognised by one of the stakeholders interviewed, who noted this as a positive move as strengths-based, job-specific situational assessments or situational judgement tests (SJTs) were shown not to have a particular adverse impact on either gender or ethnicity. Indeed, one employer explained how their adoption of a strengths-based approach coupled with subtly altering their attraction methods, has had the unintended consequence of increasing the gender diversity in their technical functions.

  'Our move to strengths has really helped with [diversity], because it removes any unconscious bias.' [Extra-large employer]

  This suggests that employers changing their testing approaches were not necessarily driven by diversity considerations but the change could bring about positive unintentional consequences. However there were indications that these strength-based or situational judgement tests had only been taken up by the largest companies and required a level of investment to develop and deliver bespoke, testing materials.

One employer was making multiple changes:

A large public sector recruiter requiring high level analytical and numerical skills had paid particular attention to the diversity of its intake. It did not screen by institution or 2:1, and targeted universities with a diverse student population. Careful evaluation of the impact of cut off scores on tests showed that very high cuts off scores on verbal tests excluded many Black and minority ethnic candidates, and on numerical tests excluded many women. This organisation was pleased with its diversity by social background and ethnicity but had more of an on-going issue with too few women attracted to its historically male main work areas.

'We're going to keep up the effort on BME [Black and minority ethnic groups], because it's had really good results – we now have 20% of all our graduate trainees coming in from ethnic minorities, which is well up on anybody, I think – but the counter effect of that is that the majority of them are men, so it's actually affected our gender balance. So this year, part of the targeting is going to law colleges, which are dominated by female students. The law firms say 70% of applicants being female is their problem, so I thought, we can have those.' [Extra-large employer]

8.7   Responsibility for action

There was some discussion among the employers and stakeholders interviewed about who carries responsibility for promoting and tackling the issues of diversity and social mobility. Where this was addressed this tended to be regarded as a shared responsibility – for the individual, their parents, their university as well as the employer. Indeed, one stakeholder explained they now feel the role of parents is more important than ever but also that it is the responsibility of students to make the right choices whilst at university as this makes a huge difference to labour market outcomes:

'… the individual themselves... it is the parents and carers, it is the schools, it is the universities and it is the employers... You've got to work on all, for this to be something that moves the dial.' [Extra-large employer]

'… you can't blame or target one piece to rectify things... it has to be right across the board... it's got to be incremental steps from a huge number of places' [Stakeholder].

Others suggested the bulk of the responsibility be shouldered by one of these 'actors'. For example some employers strongly felt it was the responsibility of universities to diversify their intake to ensure a diverse pool of graduates that they could recruit from (conceptualising it as a 'supply side' problem). Others felt that universities needed to facilitate those from less advantaged backgrounds to access the whole spectrum of experiences and support available whilst in higher education – this would include extra-curricular activities, employability activities including work experience, and careers advice. There was a recognition that less socio-economically advantaged students or those with caring responsibilities or part-time jobs would be less able to engage with extra-curricular activities, and thus potentially be disadvantaged at later stages when entering the graduate labour market.

One employer emphasised that academics and tutors at universities had a responsibility to engage students in employability activities and careers advice. This employer found that usually it was only the most socio-culturally advantaged students who were proactive enough to take advantage of the opportunities offered by careers services, whilst students from more disadvantaged backgrounds tended to focus overwhelmingly on the academic side during their time at university, and without positive guidance from academic staff in that respect may find themselves disadvantaged at a later stage.

'… a careers service only get in front of the students if people come to them. … And then it's really up to the students, and of course the more engaged, the more clued up students are the ones who are going to do it and then the ones who end up coming to us. But I think that there's a huge population of students who never even get to us because their only contact is with the lecturers, the lecturers don't see it as part of their job to educate students in the professional opportunities available to them, and therefore I think there's a huge group there... and you're thinking about social mobility, it's probably those kids who've never been to uni before, their family potentially hasn't been to university, maybe overwhelming focus on the academic side, is probably quite taxing, and so they don't even know that they should be going to the careers service in the first year.' [Large employer]

In general, feedback from employers and stakeholders seemed to suggest that there is scope for action and intervention from all parties concerned – schools and higher education institutions, employers, students themselves and their families – to increase diversity and social mobility and ensure equality of opportunity in the graduate labour market. Synergic approaches may bear the best results in ensuring positive outcomes for both employers and graduates.

8.8 Plans for change on diversity and social mobility

8.8.1 Capacity to make changes

Although some employers had made changes to their recruitment and selection processes, intentionally or unintentionally, to bring about positive change for diversity and social mobility, not all employers may be able to implement the strategies noted above. Ability to make changes may depend on size, resources, and other contextual factors. It was felt that larger employers were afforded greater flexibility when it came to reworking recruitment and selection in line with diversity concerns. Additionally, the impact was seen to be of greater magnitude when changes affected greater numbers of graduates:

'The impact of those numbers is far greater when you're recruiting 1,500 grads, and if all 1,500 were white, male, heterosexual…'. [Large employer]

However, this belies the fact that some smaller employers had also taken action.

For example one small legal employer allowed graduates who were taking their professional exams prior to becoming a pupil with them, to draw down some of the income they would receive during their pupillage in order to cover some of their study costs. They structured the timing of the pupillage offer and payment, in order to help less advantaged students find entry to pupillage more affordable [Small employer].

Some employers, when they talked about barriers that might reduce their ability to address diversity and social inclusion, mentioned reductions in their recruitment budgets. Several employers felt there were definitely funding issues when it came to putting in place the initiatives they would like to:

'It will always come down to money, costs, what budget, what time I've got within the scales I've got to do it'. [Extra-large employer]

One additional caveat was made by a technical employer in that despite being proactive in certain ways, such as monitoring social mobility and undertaking women in science, technology, engineering and mathematics (STEM) activities, other contextual factors limited the degree to which they were able to increase their diversity. In this case, they felt that the nature of their work proved constricting:

'You have to remember the type of work, so in this organisation we're expecting people to climb up and down ladders in ships... so from a disability perspective it's a bit harder'. [Large employer]

8.8.2 Future changes

Some employers, generally in the legal sector and public sector, mentioned that there was an appetite for change in their business, and identified many possible pathways for change in the future to their approach to diversity and social inclusion. This suggests that these issues are becoming more important to some employers. One stakeholder opined that for some employers, social mobility was on to the agenda, at least in respect of graduate recruitment. The approaches these employers were considering tended to mirror those outlined in the 'current strategies' sections above, and those outlined in the literature focused on new initiatives. These included short to medium-term changes, such as:

- anonymous interviews

- mentoring for ethnic minorities

- changing to a strengths-based approach in selection practices, as opposed to competency-based to remove interviewers' bias

- redesigning advertising to make it more engaging for young people or certain underrepresented groups (depending on the demographic profile of future applicants)

- thinking about where adverts are placed and how this might intersect with diversity and social mobility.

They also included changes that would take much longer to implement and to see a return on investment:

- alternative (non-graduate) entry routes to encompass school leavers and apprenticeships, whilst not directly related to graduate recruitment and selection, employers saw this as part and parcel of their inclusion approach;

- and greater engagement with schools to foster interest, passion and sense of inclusion.

'We've made some commitment to go to quite a few colleges… we're certainly hoping to get into more things… actually going to a lot of these events to try and drum up some interest, to try and impart some information because we haven't done any of that kind of activity for five years…. We need to find out where the people are that we're trying to

target, and we need to actually make sure that our advertising is focussed on how they access information, not how we want them to access it.' [Extra-large employer]

'[Engagement with schools] is an altruistic plan, that's not going to get more girls doing construction management and QS courses this week.' [Extra-large employer]

There were also changes planned for monitoring or tracking among employers. This included introducing monitoring for the first time but also expanding current approaches to cover additional diversity and underrepresented groups such as social mobility but also sexual orientation. Employers felt this would provide a concrete basis for them in the future to depict the reality of diversity in their workforce. However, as noted above, employers were conscious that it would take time for evidence and rich pictures to develop:

'We've only just started asking… just really understanding what we focus on there, but it is something that we are starting to track and think more about in the coming years.' [Large employer]

8.9   Key points: diversity and social mobility

- In general, employer concerns around diversity tended to focus on gender, disability and ethnicity of applicants and/or the workforce. Employers were much less engaged with the issue of social mobility and recruiting graduates specifically from less advantaged socio-economic backgrounds. Public service organisations, those recruiting in shortage subjects and some professions (especially law) have social mobility much higher on their agendas.

- Employers' views about the appropriateness or necessity of including diversity and social mobility considerations in their recruitment and selection practices were far from homogenous. Some employers saw diversity considerations to be directly at odds with their attempts to identify the best talent in a meritocratic sense, and conceived of higher education as a natural social leveller. Others however more explicitly recognised issues with the limited diversity of their intake and the need to deliberately widen their talent pool through varied entry routes, wider recruitment efforts and less biased selection methodologies.

- There was however an increasing awareness among the employer body in general of diversity issues and the need for change. There were some concrete examples of real, proactive and positive action. These included: wider recruitment advertising; targeting institutions with more diverse student populations; using work experience as a means of putting less advantaged students in a better position to compete as applicants; increasing the visibility of current employees from under-represented groups in the marketing and recruitment process (to act as role models and encourage individuals to select themselves in); checking for bias in selection criteria, tests and interviews; and working lower down the system (talent pipeline) with schools to encourage young people to consider other sectors, occupations or employers.

- However barriers to improvements still exist: either due to lack of a clear understanding about how diversity and social mobility considerations interact with recruitment practices or due to employers' capacity to tackle the issues. The latter

could include issues of supply and self-selection limiting diversity in the talent pipeline; but could also relate to the resources the employer can devote to tackle the issue (which links to size, recruitment budget and business case for diversity).

- Monitoring diversity is still developing but is more difficult for employers in relation to social mobility than gender, ethnicity or disability. Employers are not clear what indicators of social background they should ask for, or the social acceptability of asking candidates such personal questions. They are also not clear what they would do with any results.

- Overall the findings point to a mixed picture of awareness and activity (real change rather than discussion) around diversity and social mobility – across the employers interviewed but also sometimes within organisations. This was summed up by one employer:

  'There's a lot of lip service paid to this around the place, and I think there are a few employers, and they're often smaller businesses actually, that are quite committed to that actually, but there are an awful lot who will say the right thing but not actually do it… there are pockets of that going on, without a doubt, and there are companies that make a real effort to do that, and have a plan for it.' [Medium-sized employer]

- Graduate recruitment and selection practices in relation to social mobility could be conceptualised as: unchallenging, passive or championing.

  o **Unchallenging** practices denote those which had the direct impact (but not necessarily the intent) of narrowing the diversity of potential applicants and graduate hires. Employers often recognised this was the case, but did not necessarily feel able to alter their practices to redress this. These could be related to supply factors, such as having requirements for specific technical skills or degree subjects in which the available talent pool was already restricted in favour of specific demographics, or resource constraints which made specific outreach activities not feasible for capacity issues.

  o **Passive** practices were found where despite being pro-diversity in their outlook, employers took little or no direct action towards increasing diversity in their talent pool. This type of approach was exemplified by employers who stated 'we wouldn't do anything that would kind of stop certain people from applying' [Extra-large employer] – but failed to recognise how apparently 'neutral' methods to attract, screen out applicants or evaluate 'merit' or talent may work to the disadvantage of specific demographic groups. These passive practices can relate to as diverse aspects of the recruitment process as targeting of higher education institutions or using specific testing or interviewing methods.

  o **Championing** practices describe those active steps which employers took to directly widen the potential pool of applicants that they could attract, and to remove potential sources of bias in their selection methods. Although sometimes requiring a concerted effort on the part of the employer, those that were able to take these steps expressed satisfaction with the outcomes: 'that's given us some real, good evidence of where having done something proactive upfront, we're

seeing candidates come through that could be effective for us' [Extra-large employer]. Clear differences emerged in employers' ability and willingness to take deliberate steps in this direction, according to size (with large employers on average displaying more innovative practices in this respect) and sector (with public sector and legal employers leading the way).

9 Key findings, emerging themes and action areas

9.1 Introduction

This chapter summarises the main findings of the study from the desk research (literature review and bespoke secondary data analysis) and from the interviews with employers, careers and employability services and other stakeholders. It also includes employers' own reflections on the overall experience of graduate recruitment. It identifies emerging themes and also discusses some of the implications of the findings for employers, universities and students. The first part organises the findings across the chapters into ten key themes. These suggest a model of how those involved in graduate recruitment might see it in more systematic terms. Then a number of action areas are proposed in which employers, students, universities and public policy-makers could respond to the findings of this research.

9.2 Employer reflections

Before summarising and synthesis of the findings from across the evidence it is worth noting that most of the employers in this study were committed to being recruiters of graduates and were largely satisfied with the quality of people they had actually taken on in recent years. However many were critical of the perceived quality available overall in the graduate pool which they felt made it more difficult to attract and secure appropriate graduate talent.

Employers talked about specific skills shortages, generally in technical subjects and for specialist corporate functions, even at a time of high unemployment. They raised concerns about the relevance and depth of technical skills acquired on some courses and lack of exposure to work experiences whilst in higher education. Employers were also concerned about the variable quality of applicants they processed against their more generic criteria, which they blamed on the 'massification' of higher education. This variability meant that even with large numbers of candidates they might not have enough of 'high quality' applicants (those with the right balance of skills and aptitudes, and often work experience). Another criticism related to how well students researched their career choices and prepared for interviews and for the professional workplace in general, something they felt universities could help to improve with more career development support.

Yet in the main employers felt the graduates that passed through their recruitment and selection processes to become trainees/employees performed well and, in some cases, also progressed well within their businesses. Some employers therefore considered their approach to be effective. Effectiveness was assessed in a number of ways, related to different aspects of the candidate journey, and involved hard quantitative data, financial/audit data, survey data and/or qualitative feedback. Measures included: strength of employer brand (from surveys); number/proportion of applicants from different sources (eg work experience schemes, or targeted universities); conversion rates from assessment

centres to job offers; time from application to job offer; feedback from applicants and/or new recruits; retention of new recruits; ad-hoc feedback from line managers on the performance of new recruits; and tracking career progression over time. A small number were also able to measure progress in terms of diversity, including social mobility as well as other dimensions. However for the majority of employers, diversity in new recruits and their workforce more generally was a second order concern when compared to the huge challenges of finding the right applicants and shortlisting effectively.

Indeed employers stressed how the process of achieving effective recruitment was far from easy but that they were drawing on their experiences with graduate recruitment and selection (and the data described above) to continually improve their approaches whilst of course responding to evolving business needs. This meant that employers were making changes to the recruitment mix and the structure of graduate schemes, and recognising the need to manage and critically to retain graduates once recruited, as recruiting graduates was only the first step.

- For some employers this was moving them towards looking for more subject specific knowledge and skills from their graduate recruits (to act as experts) whereas for others they were reducing the degree of subject specialism or functional segmentation in their graduate entry, to allow simpler and more flexible entry points. Indeed, for some employers this flexibility extended even further to encompass non-graduate entry routes in order to access good applicants.

- Employers were also looking to speed up and stream-line their approach. They felt the graduate recruitment process could be long and drawn out and made worse by starting earlier in the academic year, developing complex application forms and having multiple stages in the selection process. The length and complexity impacted negatively on retention and the candidate experience, and indeed the whole process could appear impersonal and negative from the candidate's perspective. Employers were therefore considering ways to make the process less onerous and more fun for applicants whilst of course still delivering the required number and standard of recruits through a rigorous approach. Employers were looking to simplify their application forms (moving away from requesting extensive evidence of competencies), introducing quick online tests before candidates completed a full application, using video interviews, running shorter and more local assessment centres, and achieving a faster turn-around of applications.

- Employers were also contemplating ways to manage and retain new graduates during their entry phase; this included strengthening training, lengthening job tenure in early career, and providing better support for line managers of graduate recruits. Retention was a growing concern for employers with signs of an upturn in the economy. The balance of benefits and costs of graduate recruitment could flip quite quickly if employers can no longer retain the fresh graduates they recruit. Indeed, if retention falls as the labour market picks up, many of the employers in this study would be much less satisfied with their recruitment outcomes.

Finally, cost featured strongly in employers' reflections. They noted how the costs of graduate recruitment were significant. For large employers the workload involved in screening out and shortlisting from huge numbers of candidates was a real concern,

whereas for smaller employers it was the opportunity cost of taking key people away from their work to visit universities, conduct interviews etc. that was significant.

9.3   Key findings and emerging themes

In reviewing the research findings, it is important to bear in mind that the employers interviewed all recruited graduates and tended to be perhaps more reflective than most graduate recruiters about their practices. Although spread across a good range of sectors, they excluded certain public sector occupations (eg doctors) and some included relatively few employers in sectors where recruitment practices may be different (eg public policy and creative industries).

1.   A diverse and competitive market for both employers and students

Key features of the graduate labour market

The supply of graduates has become larger and more diverse. Existing data sources show sustained growth in both first degree and (until recently) higher degree graduates, although less so for home than for overseas students. Institutions with lower entry tariffs have increased their market share and the proportions of graduates being awarded a 2:1 or higher class of degree have risen. Students now come from more diverse social backgrounds than in the past.

The recession had a very major impact on employer demand for graduates but signs were that vacancies were generally rising by 2014. Yet continued financial constraints in the public sector have serious implications for graduate employment, especially in higher skill jobs.

There is strong evidence of new graduates increasingly entering non-graduate jobs, especially in the hospitality and retail sectors and in public administration. This trend was in evidence before the recession – especially from the mid-2000s onwards – but was considerably amplified by it. However past research has shown that the majority of graduates do, over time, achieve appropriate level employment.

Graduates from less advantaged communities appeared to fare worse in the labour market. They were more likely to return immediately or soon after graduation to non-graduate jobs in larger employers, where they may have worked during or before their studies.

Employer perceptions of the graduate labour market

Most employers of science, technology, engineering and mathematics (STEM) graduates were concerned about shortages of high quality applicants and of women, especially in engineering and computer science. There were also shortages in some very specific technical or professional areas, and employers found that technical graduates with good people skills were particularly hard to find. Employers in shortage labour markets were the most likely to be engaged in work with school pupils to promote relevant subjects of study and career options. Visa constraints also affected science, technology, engineering and mathematics employers and some other more specialist recruiters. The majority of the large employers interviewed had many more applicants than they wanted for the schemes

and the jobs that did not require specific subject backgrounds. However they did not necessarily have excess applicants of the quality they sought. 'Quality' in this sense included a range of skills and attributes described below, certainly including cognitive abilities but also inter-personal skills and positive work attitudes. For them the issue was attracting the right applicants and undertaking efficient and effective short-listing. It is worth noting that large employers (in terms of size of the overall workforce) did not necessarily recruit many more graduates than some of the much smaller organisations in this study.

There has been an increase in smaller organisations entering the graduate labour market. Small firms tended to find it difficult to be visible to either universities or students and some felt there were negative perceptions about working for a small firm, so could find it difficult to attract sufficient volumes of applicants. They tended to recruit as and when they had a vacancy rather than on a predictable annual cycle, which compounded the challenge of generating awareness in the graduate labour market. Some larger organisations without a strong brand in the graduate recruitment market or in sectors seen as less glamorous could also find themselves short of applications.

Employers could simultaneously experience mixes of these different situations in different functions or parts of the business. For example general management entry schemes often attracted very large numbers of applications but entry into an information technology (IT) function in the same business may attract fewer than desired.

Employers' perceptions of the graduate labour market may not always be accurate. However their attitudes, priorities, processes and plans for change are very much affected by their perceptions of whether there are too many or too few graduates of the kind they are looking for and their experience of the numbers and quality of applicants they attract.

2. Generic and employability skills really do matter to employers

Employer demand for graduates

Many employers saw graduate recruitment as a way of finding new employees with higher than average intelligence, an ability to learn quickly and a source of new ideas. For some, graduates also had specific knowledge and skills taught only on higher education courses in particular subjects. A degree, sometimes at Masters level, was also a requirement for the routes towards membership of professional bodies. Sector and professional bodies therefore influence employer behaviour through their regulation of professional standards and memberships.

Some employers, especially in scientific research and in some professions, targeted higher degree graduates. Yet most employers did not differentiate higher degree from first degree graduates.

Where employers were clearly targeting graduates, rather than other types of entrant, they were often recruiting for their management and/or professional pipelines, not just graduate entry level jobs.

Small firms still tended to recruit when they could see clear vacancies coming up but could be very sophisticated in their thinking about their requirements and the labour market.

Some were planning for business growth and building graduate recruitment into such plans. Many large firms planned their recruitment on a 1-2 year time frame but mostly from a 'bottom up' perspective (short term requests from functions or units) rather than a longer term 'top down' view of their technical and leadership pipelines.

Skills, attitudes and employability

In terms of skills sought, UK employers placed a high premium on generic skills and aptitudes. In addition to the cognitive abilities mentioned above, employers placed a very high priority on inter-personal and communication skills, even when recruiting technical graduates. In addition to cognitive and inter-personal skills, employers showed high interest in a range of other behaviours which were indicative of more personal attributes. Employers were interested in finding graduates who would 'fit' their organisation, especially in terms of their values and attitudes to work generally, to the sector and organisation and its customers. Employers were very interested in such attitudes and sought to assess them behaviourally where possible. Understanding of, and interest in, the business was important, especially to small firms. Recruits also needed to be 'resilient' in the face of challenges and changes – another personal quality. These trends show that employers were really interested in the totality of what the individual had to offer.

Employers perceived the 'quality' of graduates against this mix of requirements as very diverse and several couched this in terms of a 'long tail' of lower quality graduates when assessed against their own selection criteria. Their perceptions of quality were obviously influenced by their own selection experiences but also by their meetings with students, for example when visiting universities prior to application. Many employers had serious concerns about generic skills and attitudes in the student population.

The main causes for concern in applicants seen as unsuitable were:

- Poor inter-personal skills such as communication (frequently mentioned and concerning both writing and speaking) and sometimes team-working and potential leadership behaviours.

- A lack of commercial orientation ie some understanding of, and interest in, working in a business environment (including in the public sector).

- A lack of positive work attitudes or appropriate workplace behaviour as shown, for example, in attitudes to timekeeping and unrealistic expectations of special treatment or rapid progression.

- Weak career management and employability skills with regard to researching and navigating the labour market, presenting themselves to employers and showing their skills to best effect in job applications and interviews.

Student behaviour in making job applications and preparing for interviews was seen as having been negatively influenced by the pressure on them to make many applications in an adverse labour market. Although sympathetic, employers felt many of the applications were wasted because students were obviously 'cutting and pasting' and so did not tailor their applications or appear to show real interest.

These skill issues had tangible effects. For example several of the largest recruiters took fewer graduates into their elite entry schemes (often management or 'high potential' schemes) than they had planned because not enough candidates met their recruitment standards. This was so even in the depths of recession when they had very large numbers of applicants.

On the positive side, most employers were pleased with the graduates they did hire. Good experiences of employing graduates could flex demand upwards. This was seen in a number of smaller firms, especially where a positive experience with an intern or placement could in effect create a permanent graduate job opportunity which would not otherwise have been created.

Several employers noted that some universities helped students much more than others in developing the skill sets outlined above. This affected the institutions that employers were interested in and how they chose campuses to visit for example.

Work experience either during or after study was seen as developing both the generic and specific skills and attitudes employers were concerned about. This was one of several reasons for the very high level of interest employers had in students getting more work experience.

Most employers were satisfied with the graduates they recruited but were still critical of some of the generic skills and attitudes in the graduates who applied to them. This was also an issue for recruiters of graduates with specific subject backgrounds: subject knowledge and skills are not enough.

Employer perceptions of the quality of supply as experienced by them through the recruitment process influenced the number of graduates they recruit. Employers felt they could see the difference in quality of applicants at universities giving more support with employability skills.

3.   Graduate recruitment is only one of several entry streams

Graduate recruitment as part of wider resourcing strategy

Nearly all the employers in this study saw the recruitment of new graduates as a continuing part of their resourcing strategy, especially because of their intellectual ability, ability to learn and to generate new ideas. But new graduates were only one source of labour within a wider resourcing strategy. This often balanced fresh graduates with much more experienced hires: graduates with a few years of employment experience and labour market entrants from different points of the education system. Graduates were still highly valued by the employer sample in this study but perhaps not seen as quite such a distinct group in terms of their skills and abilities as in the past, when far fewer people had a degree.

Employer choices about recruitment mix were partly driven by particular changes in their workforce demography, business needs and the labour market for people with higher levels of experience. Employers were also influenced by their experience of the UK graduate market, which has become quite difficult to grapple with as it has grown in both scale and diversity.

Quite a lot of the employers in this study were increasingly interested in recruiting able young people who may be choosing not to go to university. Apprenticeships were one obvious strategy here, and have had a much higher profile in the last few years, partly as a result of very active public policy. Employers were tending to assume that a considerable number of young people might make different choices due to the rising cost of higher education. This may not actually be an accurate perception, but it is what many employers assumed. In other words just as labour market data shows a blurring of the jobs occupied by graduates and non-graduates, so employer perceptions perhaps include a blurring of the skills, attitudes and potential they see as available in graduate and non-graduate recruits.

Compared to other young people with fewer qualifications but perhaps more work experience at a young age, graduates were quite often seen as having less positive attitudes to work and more of an 'entitlement' view of employment. They were also sometimes perceived as having weaker skills and orientation towards customers and business, again probably because apprentices and other young trainees had greater business experience and had dealt more with customers. There were concerns about graduate retention, especially in an improving economy and an assumption – again not necessarily evidence-based – that more local entrants trained up within the business might be more likely to stay for longer.

Employers in some sectors (eg engineering, retail, public sector) were interested in a mix of graduate recruitment and other ways of bringing young people into their businesses, especially through apprenticeships. This may well widen the range of opportunities for young people but may also further diminish the difference between graduate and non-graduate employment later in their career.

Entry routes for graduates: schemes, jobs and hidden talent

Graduate schemes have remained a popular device for large employers, denoting a defined recruitment campaign, usually annually, for a range of work opportunities. Schemes did not always have more early training or variety of career experience than entry into employers not using the term 'scheme'. Schemes were often an entry route into a particular function or type of work and some schemes were aimed at high potential career routes to general management. Employers were unsure of the pros and cons of segmenting functional versus general management graduate entry. Some employers had several schemes and found communicating these to potential applicants a challenge.

Most employers, even those with schemes, also recruited directly into job vacancies. It may be much more difficult for students to see the opportunities outside schemes, especially in smaller organisations. Larger employers knew relatively little at their corporate centres about graduates entering jobs directly in local units and even less about graduates in what they would consider as 'non-graduate jobs' ie where the vacancy did not specify a degree. This raises issues of whether organisational talent management processes are strong enough to develop the potential of graduates currently in non-graduate roles.

The use of work experience by employers has become an alternative entry route, or set of routes, in addition to recruitment to schemes or jobs (see below).

Recruitment to 'schemes' and 'jobs' did not necessarily imply very different offers of training support or career development. However recruitment 'campaigns' into a number of vacancies at once were more likely to be visible to students than recruitment into just one vacancy at a time.

Employment outcomes for graduates returning to a previous employer or progressing from an entry level job – especially one not requiring a degree as a selection criterion – will be highly dependent on internal company skill and career development mechanisms.

Managing graduates once employed

For both graduates and employers the transition into working life does not end with starting work. Employers had differing views about how much they expected new graduates to be fairly ready to perform in a job. This depended on the sector, and links if any with vocational degrees, but also on the development culture of the organisation.

Retention of graduate recruits was a big issue for employers, especially with the prospect of an economic upturn after a long, deep recession. If retention falls with an upturn that could be a major factor in rebalancing recruitment strategies away from graduate entry; but an upturn may also make experienced hires harder to attract and retain in many sectors. Small firms were especially vulnerable to recruiting a few graduates and then losing them, sometimes to larger employers.

Retention, motivation and development all depended on how line managers work with graduate recruits and this was an action area for some employers.

Current employer satisfaction with graduate recruitment could fall quite sharply if retention drops as the economy improves.

4. Attracting the 'right' applicants is often the biggest challenge

Tapping into the UK graduate labour market to find the right applicants presented by far the biggest challenge for most of the employers in this study. The factors making recruitment so difficult were large numbers of students of very varying ability levels, diverse institutions and courses and the mix of employers' own demands.

As noted above, many of the large employers wanted fewer but more suitable applicants, but this sat alongside persistent skill shortages especially in science, technology, engineering and mathematics (STEM) subjects.

Employers and intermediaries (eg those helping small firms with recruitment) emphasised the importance of employers knowing what they were looking for, planning recruitment campaigns effectively and developing clear messages about the opportunities they had for graduates.

Although the literature tends to highlight the trouble smaller firms have in reaching graduates, some employers found that using a carefully selected range of websites or print advertising did generate the right volume and types of applicant.

There were issues for employers about the best time of year to go to the market. Too early and you might not know your needs or you may lose people between job offer and joining; too late and others may have already 'picked the best'.

Much recruitment activity has moved on-line both in terms of advertising vacancies and managing applications. In theory at least this has massively opened up access to opportunities for all students. In practice, large company graduate schemes were much more visible than other vacancies. However employers recognised that putting out information online and hoping the right applicants turned up was ineffective and not pro-active enough to encourage the right applications.

Using technology-enabled social networking was of interest to employers, but as yet practices were not very highly developed. Most employers did not want social networks simply to increase numbers of applicants. They wished to connect more effectively with those individuals they wanted to attract. Employers regarded the recruitment process as requiring two-way communication and information sharing. Employers needed to provide information so that students and graduates could assess if they would be suitable. Social media could help here, providing a more interactive means to communicate with potential candidates and when facilitated by recent graduate hires could provide real insight. Some were also using social networks to keep in touch with applicants once they had applied and to foster communities of new starters after job offers had been accepted to aid retention.

Some employers were looking for fresh ideas to help them reach the students they really wanted to recruit. Targeting by institution, as discussed below, has a contribution whether focused by subject, academic ability, locality, or type of course. Work experience was also clearly seen as offering employers a different opportunity to engage students as potential recruits, and to do so earlier. Neither of these offer simple solutions to the attraction challenge, although they both seem to form a part of employer strategies. Both institutional targeting and work experience raise issues about who gets access to employers through these mechanisms.

Employers want to attract applicants much more closely matched with their particular business needs. This may be an area in which innovation may emerge, perhaps based on other spheres of marketing and newer forms of communication.

5. Employers can 'target' universities in several useful ways

Targeting institutions

Larger employers tended to have direct contact with at least some universities, with the aim of attracting suitable candidates. Targeting could be used to find students for work experience/placement opportunities as well as recruitment to schemes and jobs. Engagement with particular universities was in parallel with more openly accessible advertising and application routes, especially via the internet. Targeting did not imply using institution of study as a screening or selection criteria. However targeted institutions often, but not always, accounted for a significant proportion of entrants. Some employers focused mostly on 'elite' institutions (using terms such as 'Russell Group' or 'Red Brick'), but this was not pervasive. Others targeted on other factors: subject strengths; locality; previous positive recruitment outcomes and to attract more diverse applicants. Visibility on

campuses was also part of creating a positive employer brand in the graduate market and to that end employers preferred active, face-to-face engagement with students. So targeting is about student engagement, not just brand visibility, and many employers indicated that student-facing activities benefited their sector not just their particular organisation.

Others, especially the smaller recruiters (not always small firms) and also recruiters in shortage subjects felt they would do better by developing stronger links with some institutions than they had currently. There were one or two examples of local authorities becoming involved as facilitators of employer-university engagement in an area, around curriculum as well as recruitment.

Employer engagement with universities

Some employers' engagement with universities spanned a wide range of student-facing activities and many had built strong links with particular universities, for example in research and development, but they did not necessarily capitalise on these links for their graduate recruitment. This was partly because different people inside the company, located in different functions would be dealing with research, for example, rather than with graduate recruitment. Employers did not always 'join the dots' internally in the ways that would benefit them.

Employers would welcome more help from universities in targeting students of highest interest to them as potential applicants. Employers seeking students in particular subjects could build links with selected university departments, but those seeking applicants across all or many subjects needed a more central link, often with the Careers Service. Both employers and universities saw careers services in many institutions as considerably over-stretched. This made it difficult to offer a personalised service to an increasing number of employers as well as to their students. Some employers were irritated by being charged significantly above costs for activities they carried out on campus, for example when running seminars or workshops for students. Employers also tended to lack the resource to form close relationships with more than a small number of universities. Small firms had real difficulty in finding a way into relevant student populations and some felt universities were not very interested in them.

There is something of a tension here between building strong links with a few institutions and the diversity implications of targeting institutions; although virtually all employers in the study were willing to receive applications from non-targeted institutions. Some large employers mindful of diversity issues were seeking to visit more universities to encourage a wider range of applicants. However they inevitably could not then sustain such close relationships compared to a time when they may have only been targeting a handful of universities they would have known very well. Employers had their own sense of how many university relationships they could successfully manage.

Some employers in this study had very positive experiences of working with particular universities, especially at department level. However for most, engagement with higher education was quite challenging on both sides of the relationship. Wider trends in graduate recruitment – especially more employers trying to make sense of more universities – and resource constraints in both graduate recruitment functions and universities appear to be constraining the depth

of collaboration between employers and universities in relation to graduate recruitment.

6.   Selection practices need to balance validity, fairness and efficiency

Selection processes often had several steps in three main stages: application and screening; intermediate selection and final selection. The screening and intermediate stages of selection, to arrive at a shortlist of candidates to see, were more problematic for employers than the quite widely accepted assessment centres and/or interviews held in the final selection stage.

Effective screening and shortlisting of applicants was a major challenge for employers, probably second only to the difficulties of attracting the right numbers and kinds of applicants.

Selection is mainly about choosing which applicants to offer employment, but is also about encouraging successful candidates to accept a possible job offer. Some organisations use the selection process to inform the deployment of successful applicants and identify their further training needs.

Larger employers were using on-line ability tests for numerical, analytical and verbal skills as an important part of shortlisting. This was driven by large volumes of applicants and the desire for fair assessment against relevant selection criteria (deemed to be important to the business). Thus tests were seen by employers as the most efficient and objective method to reduce numbers. Some large employers have also moved away from scoring competence-based evidence on application forms, partly because that is a very resource intensive exercise, partly because it may favour more socially advantaged applicants and also because long application forms were time consuming for applicants themselves (thus having the potential to negatively affect the candidate experience). There has also been a rise in the use of situational judgement tests (sometimes called strengths-based tests) in the early stages of selection as well as in later stage interviews. These focused more on identifying the potential to use desired behaviours in a hypothetical situation than on previous experience showing evidence of those behaviours. They were seen as a means of systemically screening for desired work-related behaviours at a relatively early stage of the process. Employers using a range of on-line tests early in the selection process were less reliant on the use of competency-based application forms, CVs and educational data as methods of screening or shortlisting.

More extensive use of relevant tests and job-related exercises should promote fairness and diversity as they test objectively for the skills and behaviours the employer is seeking. However, even the best designed test cannot avoid the possible impact on equality of different support for developing the required skills in different home, school or university backgrounds. Some students may also have more opportunity than others to practise their selection process techniques: a factor universities and employers can help to address.

Employers that had been more analytical about diversity impact had sometimes adjusted selection methods, test score thresholds and the way data items were combined to ensure that they were not disproportionately excluding certain groups by over-testing some skills.

Smaller employers were more reliant on conventional application form and/or CV data followed by one or more rounds of interviews and exercises, but they could be equally sophisticated in the alignment of their selection criteria and processes to their changing business needs. Smaller employers also did not require such a high degree of process standardisation as large employers who have far more applicants. Large employers were looking for transparency and consistency of data collection and assessment, including at shortlisting stage.

Telephone and Skype interviews have become a popular intermediate stage activity. A few large employers have been replacing telephone interviews with pre-recorded video interviews as a less expensive and more engaging alternative.

Making selection an engaging process for the applicant was of increasing interest to employers. They often involved recent graduate entrants in both recruitment (via their own former universities and social networking websites) and selection (informal interaction with candidates). They were seen as ambassadors or role models who could generate a positive image and reputation, inform potential applicants in a trusted and realistic way, and show diversity in the workforce.

Even large and sophisticated recruiters were feeling under cost pressure to recruit as effectively as possible but using less resource. Cost was often a driver for innovation and experimentation in approach.

Overall employers were seeking a holistic view of candidates in their selection processes to match their demand for a range of knowledge, skills, behaviours and personal attributes. How these requirements were assessed and weighted across the various stages of the application and selection process, especially for employers with large volumes of applicants, was a huge challenge.

Keeping the overall selection process in line with both business needs and organisational culture was a reason why employers did not wish to outsource too much of the process, especially in the latter stages of selection.

Screening and shortlisting on academic criteria

As we have seen, the employers in this study did not on the whole say they selected graduates according to institution attended, although their mix of entrants by institution was affected by their targeting in the attraction phase. However many employers did use a 2:1 degree as a minimum entry requirement or as part of a range of selection factors at varied points in the process. Some screened on a 2:1 simply as a means of reducing the candidate pool. A smaller number of employers used University and Colleges Admissions Service (UCAS) points known as 'tariff points' (based on A level or equivalent achievements). Employers were unclear about the validity of such proxy measures of candidate quality. Class of degree, being awarded at institutional level, was not assumed by employers to be indicative of a uniform national standard, for example of the skill level needed to attain a 2:1. Most employers saw class of degree as a fairly crude filter of quality. Tariff points were considered to be a more standardised measure, based on nationally marked exams, but measured performance several years before recruitment. Educational assessments did not necessarily relate to the skills employers were seeking, especially the interpersonal skills and personal attributes and attitudes. It was not clear

that employers really wanted more educational performance information (eg through the Higher Education Achievement Report, HEAR), especially if it was only used by some institutions and excluded non-academic activities during the period of study.

The candidate experience

Some employers were mindful of the importance of the whole recruitment and selection experience from the individual student's perspective. They were also well aware of how frustrating it was for students to have to make so many applications and so often be rejected.

Plans for change included faster and simpler application processes and earlier stages of selection. Employers had more positive feedback from applicants on the final stages of selection, especially assessment centres.

Some stakeholders felt that small firms could be much more personal as in general they did not attract huge volumes of applications, and could use this to their advantage.

7. Work experience is a key component of recruitment strategy

Work experience was of high interest to employers for a range of reasons, including: skill and attitude development; the chance to build earlier relationships with potential recruits; and an extended opportunity to assess individuals. Not all employers expressed a demand for work experience in their selection criteria, partly on diversity grounds, but nearly all believed it helps graduates perform better in selection and at work.

In terms of learning, work experience was seen as helping students to develop not only the generic and inter-personal skills discussed earlier but also business or commercial understanding and personal maturity. It was also seen by some employers and in some sectors (eg law, retail) as an expression of specific interest in entering that type of work and sometimes in working for that particular employer. Many employers were interested in all aspects of 'wider' life and work experience, including voluntary work and activity at university.

Employers appeared to be increasing their offering of work experience opportunities and small firms were also becoming more interested in using work placements or internships as a low risk way of seeing a student or graduate at work. Students who had contact with an employer through a placement (6-12 weeks, often in summer vacations but sometimes a short placement during study), sandwich experience (6 or 12 months usually part of a four year higher education course) or internship after graduation often had to undergo formal selection to get onto such programmes. In the case of large employers, the selection process was as comprehensive as that for permanent recruits. After work experience, entry routes were often open with a modified application and selection process at the end of their degree or internship. So, as noted above, work experience functioned as additional entry routes into employment alongside recruitment into schemes or jobs. Most employers paid for all but very short periods of work experience (although this could be at relatively low rates).

In some sectors there was an increase in the use of very short work tasters, insight or shadowing opportunities, often aimed at pre-university students or those in the first year of higher education study. These did not have the same strong linkage to recruitment, but could help with gaining longer paid work experience, and in some sectors showing such experiences was an important early step on the path to later recruitment.

Building earlier engagement with students

The importance of work experience to employers as both extended assessment and early relationship building, appeared to be driving their use of work experience earlier in the period of study ie with the first and second year higher education students. Students wishing to make use of such opportunities needed to be very focused about their career choice and well informed early in their studies.

In addition to work experience during study, employers also used internships after study in the same kind of way. Graduate entry schemes often allowed for applicants who had already graduated and some employers preferred candidates with at least some work experience after study. Short or summer placement schemes seemed less accessible to those who had already graduated.

The advantages conferred by work experience may present some risks of pushing both career decision-making and assessment by employers too early on in the higher education experience. They may also disadvantage students whose social networks or universities do not alert them to the possible importance of early employer contact in some sectors or occupation. Internships after graduation provided additional opportunities but were perhaps less structured than placement schemes during study.

8.   Social networks and informal processes can highlight opportunities

The internet can be seen as a great leveller in graduate recruitment, certainly in opening up advertising for formal entry schemes and job vacancies to anyone who knows where to look. However more informal methods were also used to attract applicants, with some organisations explicitly seeking referrals from employees and university contacts and others responding positively to speculative applications (outside of recruitment campaigns and drives). In larger organisations existing graduate employees were sometimes quite explicitly used to promote opportunities for graduates, including at their own previous educational institutions. In smaller organisations a range of informal networks could be used to identify possible applicants. Social media may be increasing the use of complex networking behaviours to alert students to both recruitment and work experience opportunities, and to help them prepare for application and the selection processes by providing an 'insider perspective'. Informal processes and networks seemed more important in attracting applicants than in selection (although as noted earlier networks could help to keep applicants engaged during the selection process). However, social networks may be more important in gaining access to work experience than to employment directly – especially in organisations taking only a few student placements or interns and therefore not necessarily advertising these opportunities very widely.

9. Varied responses to diversity and social inclusion agendas

In general terms the employers in this study were fairly interested in diversity, especially of gender, ethnicity and disability. However it is worth noting that diversity considerations did not feature very heavily alongside the major challenges of grappling with the labour market and achieving recruitment targets with the right quality and cost in an efficient and effective way.

Some employers did have a strong focus on diversity and had made progress in attracting and selecting a wider range of recruits. This tended to coincide with a clear business case for improving the diversity of recruits, and was often expressed in terms of reflecting community or customer make up. There were more varied views on the subject of social mobility (ie the impact of socio-economic background on graduate recruitment). The majority of employers were committed to a generally 'meritocratic' approach to selecting graduates against clear criteria, and felt it was appropriate not to exclude or disadvantage certain groups. We might see this as a 'passive' approach to diversity. It was more difficult for such employers to address social inequalities head on through consciously 'inclusive' practices, than to address other aspects of diversity. This was partly because they felt they should view graduates at the point of application purely on merit. Some employers, especially large public sector organisations and professions such as law, were more pro-active, especially in encouraging less advantaged students to apply and checking for bias in their selection processes.

Some employers recognised that access to higher education is still an issue and had the perception that some very able young people, especially from less advantaged backgrounds, would be put off higher education on cost grounds. This concern was partly behind their interest in increasing the use of apprenticeships and perhaps funding employees through higher education.

The process of attracting student/graduate applicants was challenging from an inclusion point of view. Some sectors and occupations still faced barriers in terms of their image and the likelihood of certain types of students self-selecting out of specific subjects of study and/or career choices. Some universities were still more heavily targeted than others, although some employers deliberately visited universities with more diverse student populations. Targeting local institutions or those with especially relevant courses should not in general constrain social mobility, so 'targeting' institutions should not be considered as necessarily having a negative impact on diversity. As noted above, social networks may still play a role in alerting students to opportunities, especially perhaps in the case of small firms and work experience opportunities.

In terms of selection, as opposed to recruitment (attraction), some employers had changed their practices at least partly to increase diversity. For example, they recognised that some students may have had less opportunity for relevant work experience. Some employers interviewed 'blind' (ie not seeing personal or educational background data). We might see such actions as an 'assertive' approach to diversity. Tests were generally seen by large employers as fairer in the early stages of selection than competency-based CVs or other background variables (eg type of institution attended), but, as discussed above, even well designed tests and assessment centres may be easier for some groups to pass than others.

If, as seems likely from the labour market data, more students from less advantaged socio-economic backgrounds move into entry jobs which do not necessarily carry the 'graduate' label, then employer behaviour around spotting and developing the potential of graduates working in non-graduate roles may be an important factor in employment outcomes over the medium term.

Relatively few employers comprehensively evaluated the impact of their recruitment and selection methods on the diversity of their recruits, especially when it came to social mobility. Employers also saw socio-economic background as more difficult to monitor than gender, ethnicity or disability. There was no clear consensus on the best metric(s) to use and some employers felt that candidates would find questions about their social background inappropriate.

10. Competing drivers influence employers' practices

Threading through the practices and some of the trends noted above, we can see some of the deeper drivers behind employer behaviour. These include:

- A central concern to recruit graduates who will meet evolving business needs as part of a wider resourcing strategy – recruiting 'the best' means the best for that particular context and the specific jobs and locations where graduates will work.

- The need to be able to anticipate and respond flexibly to changes in their sector triggered by internal and external business drivers.

- Adopting generally open and objective (or 'meritocratic') practices as the main way of achieving this.

- Reducing the risks of poor recruitment decisions or subsequent retention problems.

- The need to show cost efficient and effective ways of achieving this outcome, which often constrained the extent of engagement with higher education and the ability to interact at a personal level with large numbers of young people.

- Responding to real labour market conditions, especially an excess of applications or specific skill shortages and relative labour market conditions for graduates versus other types of entrant (eg experienced hires or school leavers).

- Responding to competition (and competitors' behaviours), trying to reach potential candidates ahead of other companies or to try to create niche brands or graduate offers.

- Appropriate use of recruitment and selection technologies and tools, including the internet, social media, widely validated tests etc.

- But also often sticking with approaches seen as having produced good outcomes in previous years, albeit with often limited evaluation activity, or sticking with approaches expected by the market (following the norm).

- Enhancing their wider employment brand.

- A general inclination to support young people in their transition to employment, balanced with the need for that transition to be manageable for the business also.

- Workforce diversity influenced graduate recruitment to some extent in many organisations, in terms of gender, ethnicity and disability. Social mobility was a significant driver in relatively few cases.

Overview of the 10 key themes

1: The graduate labour market affects employers in different ways

2: Employers want graduates who fit their business-specific definitions of 'quality'

3: 'Graduate schemes' are not the only way in to organisations

4: Attracting suitable applicants and/or numbers of applicants is a key challenge

5: Targeting universities for attraction is helpful and practice here is quite diverse

6: Effective screening and shortlisting is a 2nd key challenge

7: Work experience is of high interest to employers

8: Informal processes still exist in attraction activity but less so in selection activity

9: Employers are committed to a meritocratic approach to graduate selection which can constrain their direct engagement with social mobility issues

10: Employer graduate recruitment and selection practice is driven by a number of competing challenges and goals

9.4 Seeing graduate recruitment and selection as a system

All the players in graduate recruitment need to recognise that the process of graduate recruitment consists of a number of steps, some going back to school or earlier. There are also different entry routes. Employers will be wishing to expand, contract or change their recruitment 'funnel' as shown on the diagram below (Figure 9.1) depending on their needs and recent experience of the labour market.

The entire system is driven by the context in which employers are operating including their changing needs for graduates, how the labour market is operating, their wider resourcing strategies and their previous experiences of, and satisfaction with, graduate recruitment.

The model also shows (on the right hand side of the 'funnel') the emerging role of work experience as a type of entry in its own right. Generic advertising, especially through website and social media, works alongside more 'targeted' approaches, especially

engaging with particular institutions. All of these ways of reaching students influence the applicants who enter the selection funnel itself.

Informal networks can influence the process in many ways, but especially in helping students become more aware of opportunities both for employment and work experience.

The lower part of the 'funnel' shows the selection process as consisting of the three stages discussed earlier, but possibly quite a number of activities of varied kinds within these. Work experience here forms part of the selection process as well as developing skills and creating engagement between employers, students and institutions.

Those seeking to change outcomes (eg improving employment of those from less advantaged backgrounds or less prestigious institutions) need to consider these issues systemically not just focussing on one step in the process.

Figure 9.1: The graduate recruitment and selection 'funnel'
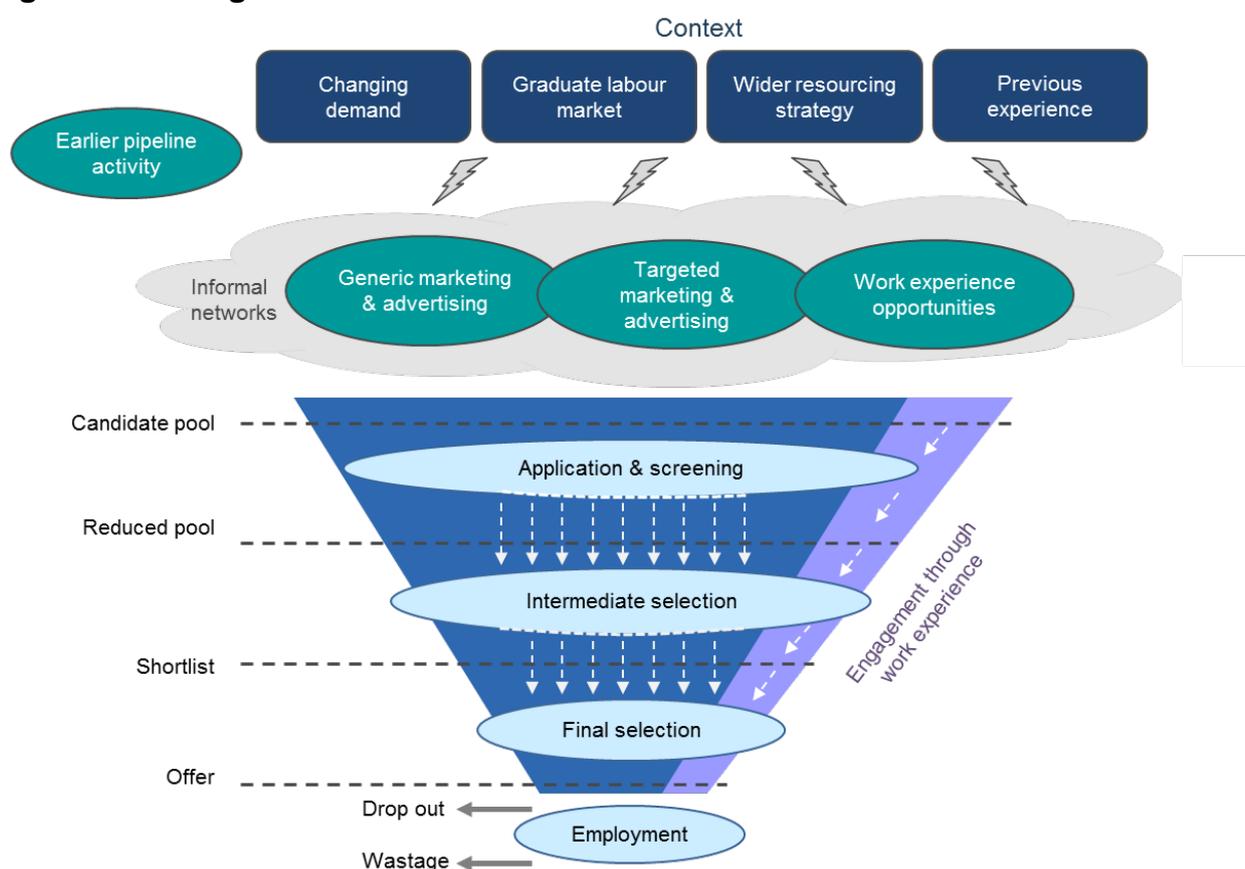
Source: IES/HECSU, 2014

9.5 Implications for action

The themes and issues raised by employers' graduate recruitment and selection practices are very interlinked as the previous discussion has shown. The table below highlights a few of the areas in which the research findings have implications for the actions and behaviour of employers, students, universities and policy-makers (in government, professional bodies etc.).

Table 9.1: Implications for action

Understanding entry routes, transition into work and beyond	
Employers may offer several entry routes for graduates, including 'schemes', local recruitment into specific vacancies and work experience which may lead to employment. These may also link with varied career options once employed.	
Employers	Employers need to explain their entry options, for example job vacancies as well as graduate entry schemes.
	Employers operating several graduate schemes need to help students choose the right one to apply to, or use the selection process to direct candidates to the type of entry that may suit them best.
	Entry to work is a complex transition and employers need to expect to offer a fresh graduate considerable support if they are entering their first serious job.
	Employers would benefit from paying more attention to graduates with potential who do not enter via clear schemes or programmes, especially those hired into 'non graduate' jobs. More could have parallel graduate entry schemes running from inside the business as well as direct from universities.
Students	Students may focus too much on high profile entry 'schemes', which generally have too many applicants. They need to develop more sophisticated search strategies for other options – general job vacancy sites are not easy to use in a strategic way.
	Students need to understand how they might progress their skills if they enter employment in a less visible job role, especially one not normally seen as a 'graduate job'.
Universities	Universities have a key role in helping students understand the full range of labour market options and help them find the types of entry route best suited to their interests, skills and likelihood of success.
Policy makers	Policy-makers should communicate the diversity of graduate entry routes and the importance of developing potential in the workplace.

Generic and employability skills	
Where employers had concerns about the 'quality' of applicants, these centred on a very consistent set of skills, attitudes and behaviours. Work experience was seen as making a positive difference but so also was a focus on these skills and behaviours at university. Students from more advantaged backgrounds may get more help from home and school in developing these skills early on.	
Employers	Employers may be able to articulate more strongly the 'holistic' nature of their requirements and which generic skills and attitudes they value most highly. More employers could support students in practising their interview skills, as some do already.
	Improved feedback from employers for applicants rejected fairly early on in the process would be helpful, even if large employers have to do this in a rather automated way.
	This is an area where employers might usefully extend the involvement of employees who are only a few years out of university themselves.
Students	Students need to be fully aware of the importance of inter-personal skills, attitudes to work and effective approaches to job search, application and interview.

Universities	Universities can make a real difference both through active skill development within the curriculum (eg in writing, speaking, team work) and effective career development support. These skills are also key for technical and higher degree graduates.
	Employability support and effective careers services are especially important in universities with more students from less advantaged backgrounds.
	Careers services need to stay on top of changing trends in recruitment and selection processes, for example in the use of new kinds of tests.
Policy makers	In addition to emphasis on these skills in higher education, public policy needs to recognise the importance of starting this development much earlier in school. Careers education, guidance and work experience should all be playing a role here.

Work experience

Work experience can be a win-win-win. It helps the employer and the student and reflects well on the institution. However some students may also 'lose' by not accessing or using work experience, especially in sectors where it has become an important entry route and even a screening criteria.

Informal networks may be important in finding out about work experience opportunities, especially in organisations without clearly advertised placement or internship schemes.

Some employers are using work experience earlier in the degree, as the start of one or more entry pipelines. This makes it more important for students to understand work experience options earlier in their studies.

Employers	Employers find offering work experience in a way that suits their business needs a very useful part of their recruitment strategy.
	Placements during study and in summer vacations seem to work well. Employers might consider a stronger link between how they operate summer placements and how they select and develop the interns they take on after graduation.
	More small firms might benefit from intermediaries who work with universities and companies to facilitate work experience
Students	Students need to be aware that there are different employment strategies they might use. Those with earlier career plans would be well advised to seek relevant work experience whilst others may wish to see graduation as the start of a period of further work exploration and experience. Students need to be aware that there will be competition for work experience as demand exceeds supply, however all forms of work experience, as well as wider life and university experiences, can be valued by employers.
Universities	Universities have a key role in alerting students to opportunities for learning through work experience during study and integrating it into courses where possible.
	Those universities which sustain career support after graduation could develop links with employers interested in internships after graduation.
	Universities could also work with employer organisations to facilitate the finding of students for work placements, perhaps on a shared geographical basis or in specific sectors or subjects.

Attracting the right applicants and engaging with selected universities	
Targeting the right applicants is a big challenge for employers. Work experience can play a useful role (as above) but so does effective marketing and building links with relevant universities.	
Employers	Employers of science, technology, engineering and mathematics (STEM) and shortage skills are often engaged earlier in education, for example in encouraging school pupils to choose science subjects. Smaller employers in these sectors could play a greater part, especially through local links.
	Many employers will benefit from targeting a number of universities to attract applicants and raise their profile. Targeting in terms of general institutional prestige may be less effective than building subject links (especially at department level) or links in relevant localities. If employers use a variety of factors when targeting universities, across all employers the whole range of universities will be covered (rather than a narrow group of the most selective universities).
	Engaging students in useful career learning while visiting universities helps.
	Targeting is likely to affect the diversity of entrants by social background as well as demographic factors. Employers should think about who acts as ambassadors (who visits) as well as which universities they visit.
Students	Students need to focus their job search and target those employers likely to be interested in them too.
	They should find out which employers target their institutions, and look to engage in the activities employers offer.
	However they should also look more broadly for potential employers and have the confidence to apply (select themselves in) to those companies that have not visited their university.
Universities	Universities should be pro-active in forming positive, multi-level partnerships with employers, especially those whose needs suit their student population. This can put their students at an advantage.
	They need to offer advice and support to employers, not just host employer visits and input.
	Having a dedicated link for small firms may be helpful as may clear links at departmental level for employers seeking to attract from specific subjects.
	Universities need to be aware of which employers they are engaging with (where and why).
Policy makers	Policy should not discourage employers from targeting particular universities to encourage applicants but sell the benefits of more sophisticated targeting to meet both business and student needs.
	There is a lack of sustained financial support for higher education to engage with employers or to link recruitment with research and development or curriculum engagement.
Fair and objective screening and shortlisting	
Employers	Employers need to evaluate screening and shortlisting processes to know which methods relate to performance in the workplace. Criteria for screening and shortlisting should relate to their overall criteria, based on work and career path requirements.
	Screening on class of degree, although widespread, may not be a reliable indicator of quality.
Students	Students need to be mindful that the early stages of the application and selection process weed out most of the applicants. They

	should research the employer and tailor their application appropriately.
	If tests are going to be important, they should be practised. Students need to work on their higher level numeracy and literacy as they are likely to be tested.
Universities	Universities need to work with students on the early stages of the selection process. This is especially important for students with less advantaged backgrounds and also for any with specific skill weaknesses eg in written English, poor numeracy.
	Universities need to help students understand newer forms of selection eg situational or 'strengths based' tests and interviews.
Policy makers	Policy makers need to acknowledge the diversity of the student population in terms of academic ability and skills.
	A deeper understanding is required of the validity of using university assessments (eg class of degree, tariff points and potentially the Higher Education Achievement Report) as indicative of cognitive ability or other attributes.
Social mobility All the areas above affect diversity, including social mobility. Social mobility is in turn affected by all the players in higher education and employment, including the students themselves.	
Employers	Employers can influence the social mix of their intake through their marketing and messaging; the range of institutions they target; promoting and selecting for work experience; and using selection methods with care.
	Employers should consider their business case for social mobility within their wider diversity and social responsibility agendas.
	Few employers seem likely to monitor social background of their applicants in the short-term but such practices may well spin out from the public sector and some professions where social mobility is a bigger part of the employment landscape.
	Employers may address social mobility also through different entry and progression routes and through sponsoring non-graduate employees through higher education.
Students	Students need a realistic idea of their own interests and abilities and the ability to resist stereotyping based on their background or indeed other factors.
Universities	Universities can do much to level the employment playing field especially by ensuring that their students have good employability skills, real support in accessing work experience and the opportunity to meet and work with visiting employers.
	Alumni can also support students from varied backgrounds eg via career networks, light touch mentoring etc.
Policy makers	Policy needs to focus on making the business case for social diversity as well as gender, ethnicity and disability. It is not an easy case to make at present as it is further from corporate awareness and the links with business performance are less widely accepted as yet.

9.6 The interaction between recruitment practices and the higher education experience

In reflecting on this study, universities, employers and policy makers need to be aware that the way employers respond to the considerable challenges of effective graduate recruitment in turn impact on the experience of higher education. For example:

- Putting too much pressure on students to make career decisions and gain specific work experience very early in study may disadvantage students who wish to focus more on their studies and to explore their career options somewhat later.

- In emphasising the work-related aspects of higher education much more, some aspects of intellectual development and curiosity may be lost – attributes that employers are also seeking.

- Students are already aware that it is easier to get a job with a 2:1 and we see the consequences in terms of stress over degree results and pressures on institutions to award ever-higher percentages of highly classed degrees. This in turn makes it even more uncomfortable for the minority of students who do not get a 2:1.

Improving employment outcomes can all too easily be a zero sum game, simply reshuffling the pack of graduates and advantaging some by disadvantaging others. Working with employers to improve the skills of graduates is not a zero sum game. It may both influence employer demand for graduate recruits and improve organisational and national productivity.

Making recruitment a more effective process for employers also needs to make it a more motivating experience for students, so they move into their working lives better informed and in a positive frame of mind.

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