

The AGR Graduate Recruitment Survey 2003

Summer Review

HIGH FLIERS 

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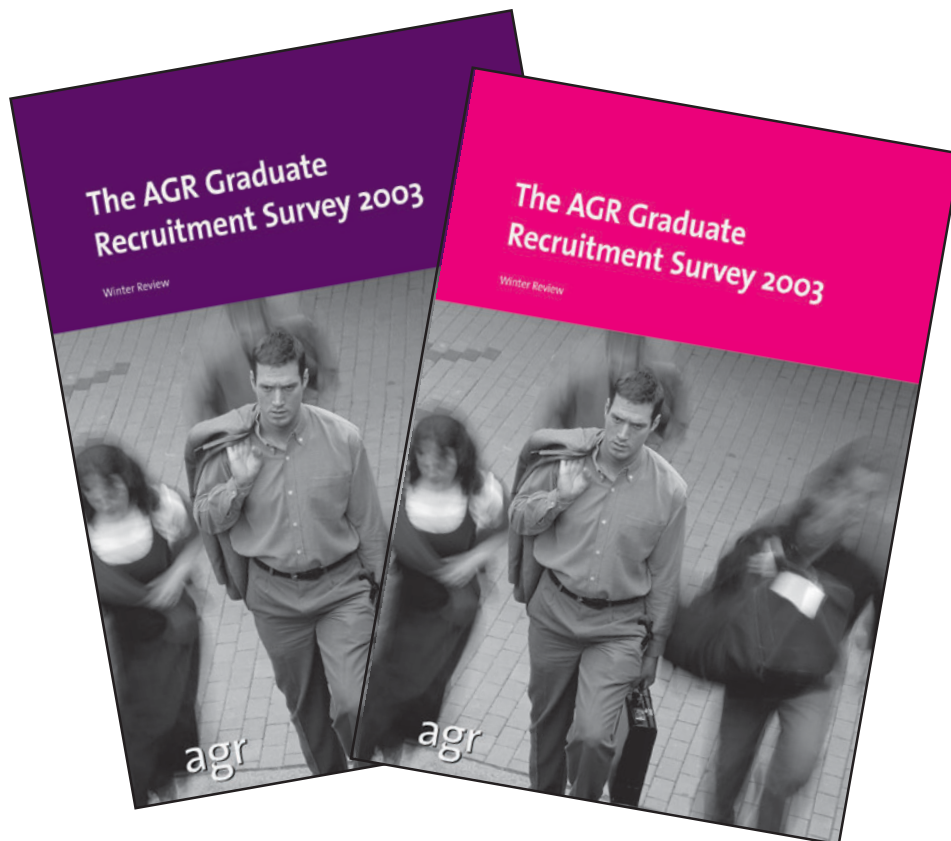
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Make sure you get the *insider's* view on graduate recruitment.



The AGR Graduate Recruitment Survey

Published twice each year in January and July, exclusively for AGR members.

agr

the collective voice of graduate recruiters

Executive Summary

About the Survey

The *Summer Review* from the new *AGR Graduate Recruitment Survey 2003* is based on research conducted for the AGR by **High Fliers Research** with **195 graduate employers** during **June 2003**. The survey has been developed from the AGR's *Graduate Salaries & Vacancies Survey* to provide employers with the very latest market information on:

- Graduate salary levels for the 2002/3 recruiting seasons
- Vacancy levels for graduates to start work in 2003
- Application levels and selection & assessment processes used by recruiters in 2003
- Retention rates & salary progression for graduates recruited between 1998 and 2002
- Employers' work experience programmes for 2003

Graduate Vacancies

Despite predictions by AGR employers in the *Winter Review* that there would be a modest increase in vacancies during 2002-2003, the final number of vacancies for new graduates in 2003 is lower:

- Graduate vacancies decreased by 3.4% in 2003, compared to the numbers recruited in 2002.
- The largest number of vacancies in 2003 were in accountancy or professional services firms, engineering or industrial companies, law firms and retailers.
- Over half of all graduate vacancies were in London or the South East, with just one in ten of all positions occurring in Scotland, Wales and Northern Ireland.
- Analysed by business function or career area, the most vacancies for 2003 were for graduates working in chartered accountancy, general management, IT, retail or as a solicitor or barrister.
- Over two-thirds of employers expected to maintain or increase their graduate vacancies for 2004, but 12% warned that they were likely to reduce their recruitment next year.

Graduate Salaries

Although the number of graduate vacancies has dropped slightly in 2003, AGR employers have continued to pay higher starting salaries for new graduates starting work this year:

- Graduate starting salaries have increased by 4.3% in 2003, compared to the salary rates paid in 2002. The median graduate starting salary for 2003 is £20,300, up from £19,500 in 2002.
- The highest starting salaries offered in 2003 are for graduate positions at investment banks, law firms, consulting or business service firms, law firms and oil companies.
- Across the UK, median salaries were highest in London (£24,000) and the south east of England (£20,500). The lowest rates were in Northern Ireland (£18,000) and Ireland (£14,000).

- By business function or career area, the highest starting salaries were for graduates starting work in investment banking, consulting, solicitors or barristers, or actuarial work.
- Over half of AGR employers expect graduate starting salaries will increase again in 2004, but only by the 'cost-of-living'. A third of recruiters predict salaries will be frozen at 2003 levels.

Applications, Selection & Assessment

AGR employers have received more applications per vacancy this season than last but continue to use a range of different methodologies to select and assess graduates for their organisations:

- The average number of applications per vacancy has increased from 37.8 during the 2001-2002 recruitment season to 42.1 in 2002-2003, with individual recruiters attracting between 250 and 20,000 applications each for their graduate positions in 2003.
- Just 10% of employers reported any form of recruitment shortfall in 2002-2003.
- Most organisations used the 'application, first interview, final assessment centre' model for their graduate recruitment in 2003.
- Employers were divided between having a single application deadline or accepting applications on a year-round basis, but most expect candidates to apply on-line.
- Three-quarters of AGR employers used minimum degree results as part of their entry criteria, and a further 40% insisted that candidates held certain numbers of UCAS points.

Graduate Retention & Salary Progression

Employers reported encouraging graduate retention rates for their organisations and strong salary progression for those recruited during the past five years:

- The average retention rates at AGR employers are 94% for graduates recruited one year ago, 79% for graduates who began work three years ago, and 61% for those hired five years ago.
- The highest retention rates are recorded by public sector employers, chemical, pharmaceutical engineering or industrial companies, and IT hardware or software companies.
- Accountancy or professional services firms and retailers recorded the lowest retention rates.
- The median salaries currently paid by AGR employers are £22,300 for graduates recruited one year ago, £27,600 for those who began work three years ago and £32,700 for those hired five years ago.

Work Experience Programmes

Nearly three quarters of all AGR employers offered work experience programmes either for summer placements in 2003 or longer placements during the 2003-2004 academic year:

- 51% of recruiters provided summer placements of up to 12 weeks for the summer of 2003, with a median of 21 places per employer.
- typical salaries for summer placements were between £750 and £1,250 per month, although several organisations paid up to £2,000 per month to their undergraduates.
- the majority of undergraduates who take part in successful work experience placements with AGR employers can expect preferential treatment during the selection round for graduate jobs.

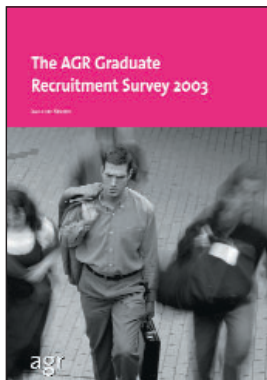
Chapter 1

Introduction

Researching in the Graduate Market

Welcome to the *Summer Review* from the new *AGR Graduate Recruitment Survey 2003*, the definitive study of AGR employers and their graduate recruitment, conducted exclusively for AGR members.

The survey has been developed from AGR's long-established *Graduate Salaries & Vacancies Survey* which was traditionally the main source of information about the starting salaries offered to graduates and vacancy levels in the market.



The new *AGR Graduate Recruitment Survey* continues to give AGR employers twice-yearly, up-to-the-minute insights into the latest graduate market conditions, but for the first time also provides regular benchmarking of graduate recruitment practices.

This *Summer Review* examines the applications made to employers during 2002-2003 and the selection & assessment processes used by recruiters. It also explores the number of graduates retained by employers over the last five years of recruitment and their salary progression. The research concludes with a review of the work experience programmes offered by graduate employers in 2003-2004.

The *AGR Graduate Recruitment Survey* is carried out on behalf of the AGR by the specialist student & graduate research company, **High Fliers Research**. The company already produces *The UK Graduate Careers Survey* which annually examines university students' career aspirations & expectations, and their views on individual employers.

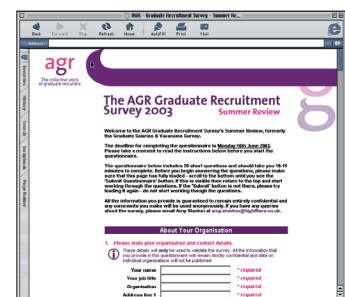
Over the last ten years High Fliers Research has worked with more than 70 leading graduate recruiters to measure the impact of their recruitment activities on campus and help them understand their position in the graduate market.

Survey Methodology

Research for the *Summer Review* for the *AGR Graduate Recruitment Survey 2003* took place during June 2003 using an online questionnaire accessed via the AGR website.

The questionnaire contained twenty questions about employers' graduate recruitment activities during the 2002/2003 recruitment seasons, focusing on graduate vacancies & salaries, their applications, assessment & selection, graduate retention & salary progression, and work placements.

Questions were specifically designed so that the survey results can be analysed by employers' industries or business sectors, by the location of their graduate vacancies, and by the career area or business function into which their graduates are recruited.



Participating Employers

High Fliers Research contacted 303 AGR employers to participate in the *AGR Graduate Recruitment Survey 2003*. The online questionnaire was live for a fortnight during June 2003 and the deadline was extended for two further weeks to encourage the maximum number of employers to participate in the research.

A total of **195 employers** either completed the questionnaire or confirmed that they had not recruited in graduates in 2003 and 2002, giving the survey a response rate of **64%**. The AGR members who took part in the survey are:

3Com Europe Limited	Croda International plc	Lazard	Rolls-Royce plc
3M UK PLC	Data Connection	LE Group	Royal Bank of Scotland
Accenture	Davis Langdon & Everest	Linklaters	Royal Sun Alliance Insurance
Addleshaw Goddard	Debenhams plc	Lloyds Pharmacy	Safeway Stores plc
Air Products plc	Deloitte & Touche	Lloyds TSB plc	Saffery Champness
Airbus UK	Derwent Information	LogicaCMG	Sainsburys Supermarkets Ltd
Aker Kvaerner E&C	Diageo Great Britain	London Underground Ltd	Samworth Brothers Ltd
Allen & Overy	Dixon Wilson	Lovells	Schlumberger
Alliance & Leicester	DLA	Macfarlanes	ScottishPower
Allianz Cornhill Insurance	DrKW	Marks and Spencer	Shell
AMEC	EDS	Marsh UK Ltd	Siemens
American Express	Enterprise Rent-a-Car	Masons	SJ Berwin
ARUP	Ernst & Young	Masterfoods	Slaughter and May
Asda	ExxonMobil	MATALAN	Sodexo
AstraZeneca	FaberMaunsell	McDonald's Restaurants Ltd	Somerfield
Audit Commission	Filtrona plc	McKinsey and Company	Stamp, Jackson & Procter
BAE SYSTEMS	Ford Motor Company Ltd.	Mercer HR Consulting	Standard Life Assurance Company
Baker Tilly	FSA	Merrill Lynch	Stephenson Harwood
Bank of England	GKN plc	Mills & Reeve	Sun Microsystems UK Ltd
Barclays Bank plc	GlaxoSmithKline	Moore Stephens	Tarmac Ltd
Barclays Capital	Grampian Country Food Group	Mouchel	Tate & Lyle Europe
BDO Stoy Hayward	Grant Thornton	MW Kellogs Ltd	Taylor Wessing
Berwin Leighton Paisner	GW Padley Poultry Ltd	Nabarro Nathanson	Tesco Stores Ltd
BNFL	Halcrow Group Ltd	National Audit Office	Thames Water
BNP Paribas	HAT Group of Accountants	National Australia Group	The BOC Group
BP plc	Haymarket Group Ltd	National Grid Transco	The Boots Company plc
British Energy	HBOS plc	Nestle UK Ltd	The Hymatic Engineering Company Ltd
British Sugar	HECM Customer Services Ltd	Network Rail	The Tetley Group
BT	Herbert Smith	Next PLC	Towers Perrin
BUPA	Highways Agency	NHS (England)	UBS
Cadbury Schweppes	HM Customs & Excise	Northern Foods Plc	Unilever
Capital One	HM Prison Service	Norton Rose	United Utilities
Carillion plc	Horwath Clark Whitehill	Norwich Union	Vauxhall Motors Ltd
Caterpillar	Huntsman Tioxide	Oracle Corporation UK Ltd	Vodafone
Centre for Health Leadership Wales	HW Fisher & Company	Orange PCS	Waitrose Ltd
CIBC World Markets	I M I plc	PA Consulting Group	Warburtons
CIS Ltd.	ICI	Pfizer Global Research & Development	Wates Group Limited
Citigroup	Inland Revenue	PGS Exploration (UK) Ltd	Watson Wyatt
Civil Service Fast Stream	Jaguar and Land Rover	Pinsents	Westland Helicopters Ltd
Clifford Chance	John Lewis (Department Stores)	Powergen	WHSmith plc
Clyde & Co.	Johnson Matthey plc	PricewaterhouseCoopers	Wincanton
Commerzbank	Jones Day Gouldens	PSA Peugeot Citroën	Woolworths Group plc
Computacenter (UK) Ltd	Kingston Smith	QinetiQ	Yell Ltd
Corus	KPMG	Rentokil Initial PLC	Yorkshire Water
Countryside Properties plc	L'Oreal	Reuters Ltd	

Chapter 2

Graduate Vacancies

Introduction

The *Summer Review for The AGR Graduate Recruitment Survey 2003* begins by examining the graduate vacancies that employers have recruited for during the current recruitment year, compared with the previous year. Employers were asked to give the actual numbers of graduates who were recruited into their organisations during the 2002-2003 recruitment season (typically to start work in the autumn of 2003), along with numbers of graduates who were recruited last year (during the 2001-2002 recruitment season) and started work in autumn 2002.

Employers were asked to provide total graduate vacancy levels along with also a basic analysis of where these vacancies occurred within their organisations. This allows vacancy numbers to be analysed by geographical region and the business function or career area for which graduate recruitment takes place. Analysis of this kind is particularly useful for employers who recruit many of their graduates for particular regions of the UK or beyond and want to measure how this regional job market is faring.

This analysis is also helpful for the large number of AGR employers who recruit graduates for a wide range of business functions, irrespective of their organisation's main purpose. For example, IT companies often hire graduates for commercial functions such as marketing, sales or financial management as well as computer programmers and other technical positions. Similarly, fast-moving goods companies, who are often synonymous with marketing and sales positions, also offer considerable numbers of vacancies in IT, financial management and human resources.

Throughout this section of the survey, the results refer to actual vacancies in 2003 (ie graduates recruited during the 2002-2003 recruitment season who are due to start work in autumn 2003), versus vacancies in 2002 (ie graduates recruited during the 2001-2002, who started work in autumn 2002).

Key Findings

Despite predictions by AGR employers in the *Winter Review* of a modest increase in vacancies during 2002-2003, the final number of vacancies for new graduates in 2003 is lower:

- Graduate vacancies decreased by 3.4% in 2003, compared to the numbers recruited in 2002.
- The largest number of vacancies in 2003 were in accountancy or professional services firms, engineering or industrial companies, law firms and retailers.
- Over half of all graduate vacancies were in London or the South East, with just one in ten of all positions occurring in Scotland, Wales and Northern Ireland.
- Analysed by business function or career area, the greatest number of vacancies for 2003 were for graduates working in chartered accountancy, general management, IT, retail or as a solicitor or barrister.
- Over two-thirds of employers expected to maintain or increase their graduate vacancies for 2004, but 12% warned that they were likely to reduce their recruitment next year.

Comparing Graduate Vacancies in 2003 & 2002

The survey shows that there has been a small reduction in the number of graduates recruited during the 2002-2003 recruitment season (to begin work later in 2003), compared with vacancy levels in 2002. The total number of graduate vacancies for 2003 at the 195 AGR employers who took part in the survey was 11,012, a 3.4% decrease from the 11,402 graduates who were recruited in 2002.

This result contrasts sharply with the more optimistic assessment of AGR employers when questioned earlier in the year. The *Winter Review*, published in January 2003, showed that recruiters were predicting an increase in vacancies of nearly 8% for the 2002-2003 recruitment round. It is evident that continuing economic difficulties in certain sectors and uncertainty surrounding the war in Iraq has meant that several major employers have been unable to recruit the numbers they expected this year.

In particular, eight organisations – all from the engineering, accountancy and banking sectors – reduced their graduate intake for 2003 by at least 50 vacancies, a total reduction of more than 700 graduate positions. These employers together accounted for over half the total number of vacancies cut during 2002-2003. In all, 42% of AGR employers had reduced their vacancies since 2002, although most had been by fewer than 10 graduate positions (see *Chart 2.3*).

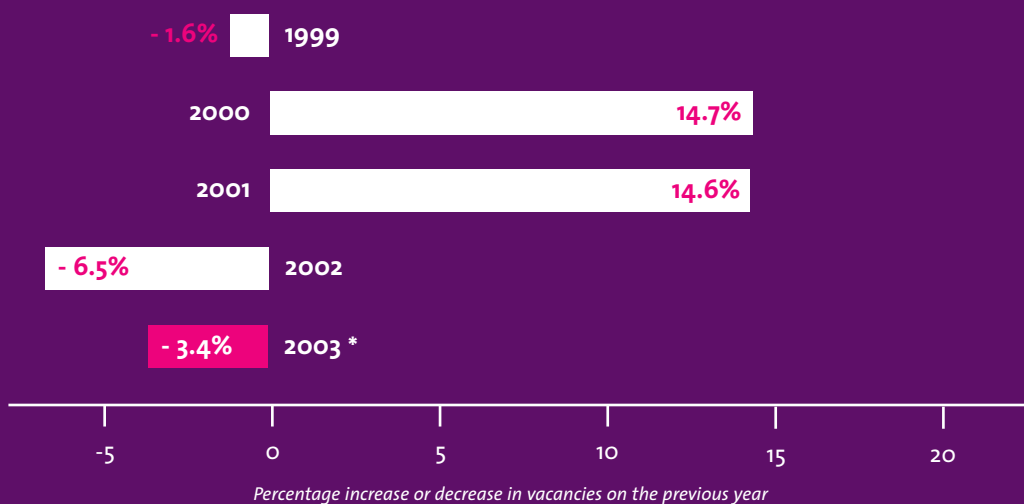
On a more positive note, a fifth of recruiters reported that their vacancy levels were unchanged year-on-year and a third had increased their graduate recruitment in 2003. Indeed, 13 employers – including several major retailers, a leading consulting firm, and one major science & engineering employer – had recruited at least 25 extra graduates during 2002-2003.

Despite these mixed fortunes for AGR employers, the overall 3.4% decrease in graduate positions for 2003 is still an improvement on the 6.5% drop in vacancies in 2002 that was reported by last year's *AGR Graduate Salaries & Vacancies Survey* (see *Chart 2.1*), but it is some way from the considerable growth in vacancies of nearly 15% per annum recorded in 2000 and 2001.

The final vacancy numbers for 2003 show once again the differing scale of recruitment undertaken by AGR employers. One in six organisations did not recruit any graduates at all during the year and almost 40% had vacancies for 25 or fewer graduates. Just eight organisations reported that they were hiring 250 or more graduates in 2003 (see *Chart 2.2*).

The median vacancy level for AGR members in 2003 was 35 graduate positions.

Chart 2.1 How graduate vacancies at AGR employers have changed 1999-2003



Source - Institute of Employment Studies *High Fliers Research

Chart 2.2 Graduate vacancies at AGR employers in 2003

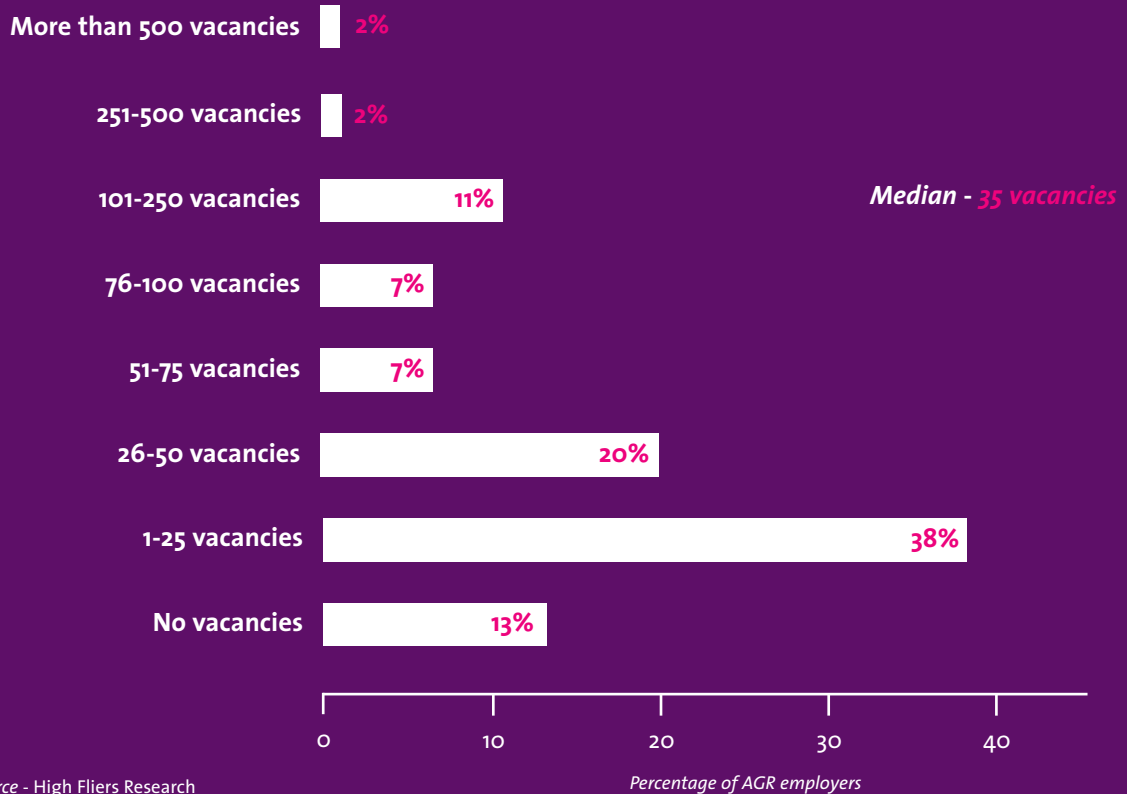
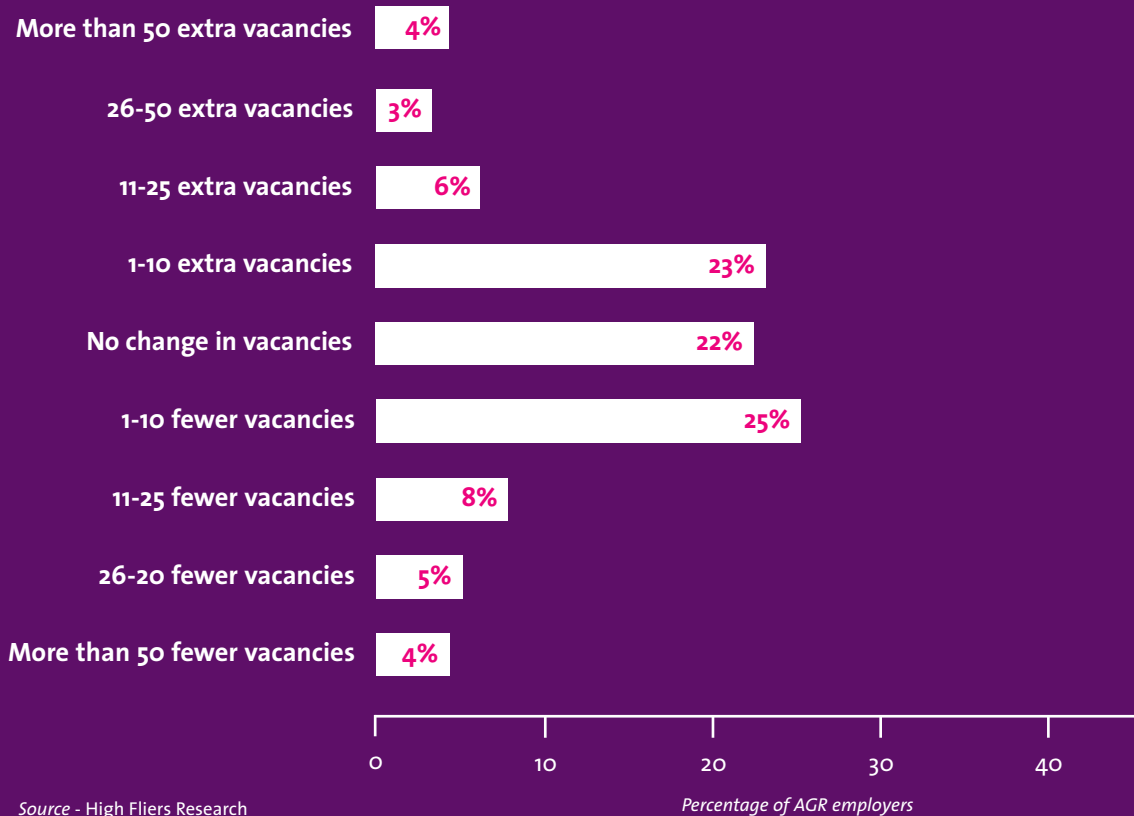


Chart 2.3 How AGR employers' graduate vacancy levels in 2003 have changed since 2002



Profiling Graduate Vacancies in 2003

AGR employers' graduate vacancies are measured in three different ways – by the employer's industry or business sector, the geographical location of the vacancies, or the business function or career area of the vacancies.

For 2003, almost a quarter of vacancies amongst AGR employers were at accountancy or professional services firms (see *Table 2.4*) whilst a sixth of vacancies were at engineering or industrial companies. Other organisations who were major graduate recruiters include law firms, retailers, transport or logistics companies, and the public sector. The lowest numbers of vacancies were at media companies, IT hardware or software companies, and motor manufacturers.

Well over half the vacancies for graduates at AGR employers were in London and the South East in 2003, which meant that the number of graduate positions available elsewhere in the UK or beyond was low (see *Table 2.5*). The next largest recruiting regions were the Midlands (9.1%) and the north west of England (7.5%), but the combined recruitment for Scotland, Wales and Northern Ireland amounted to less than 10% of the total graduate vacancies this year.

Recruitment by business function or career area in 2003 was dominated by graduate positions in chartered accountancy positions – nearly a quarter of all AGR employers' vacancies (see *Chart 2.6*). Other major functions include general management, working as a solicitor or barrister, and IT, which together amounted to a further third of the positions recruited for in 2002-2003. Engineering remains a major recruiting area and the combined vacancies in mechanical engineering, electrical/electronic engineering, civil engineering and manufacturing engineering amount to more than a tenth of all vacancies.

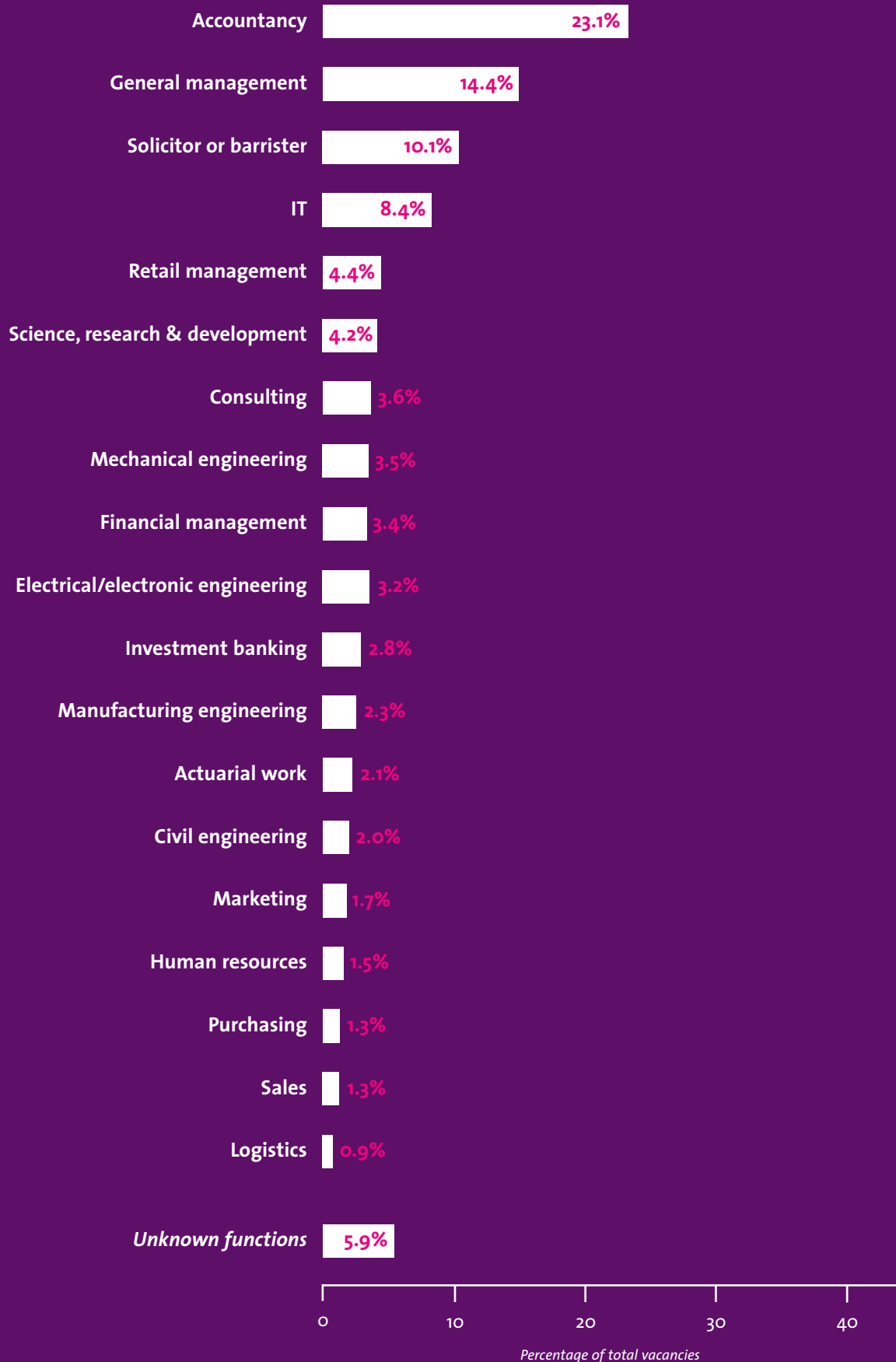
Table 2.4 Vacancies at AGR employers by type of organisation in 2003

	<i>% of total vacancies</i>
Accountancy or professional services firm	23.2
Engineering or industrial company	14.0
Law firm	9.8
Retailer	8.5
Transportation or logistics company	6.0
Public sector	6.0
Consulting or business services firm	5.9
Commercial or retail bank	5.3
Investment bank or fund manager	3.9
Telecommunications	2.9
Energy, water or utility company	2.4
FMCG company or food manufacturer	2.3
Chemical or pharmaceutical company	2.1
Construction company	1.7
Oil company	1.5
Insurance company	1.5
Motor manufacturer	1.1
IT hardware or software company	0.8
Media company	0.6
<i>Other</i>	<i>0.5</i>

Table 2.5 Vacancies at AGR employers by location of vacancies in 2003

	<i>% of total vacancies</i>
London	38.8
South East	12.8
The Midlands	9.1
North West	7.5
Scotland	6.2
South West	5.2
Yorkshire	4.7
North East	3.3
East Anglia	3.3
Wales	2.1
Northern Ireland	0.9
Ireland	0.4
Rest of the world	3.0
Europe	1.4
USA	0.5
Asia	0.1
<i>Unknown</i>	<i>7.5</i>

Chart 2.6 Graduate Vacancies at AGR employers by business function or career area in 2003



Source - High Fliers Research

Changes in Graduate Vacancies in 2003

The small decrease in total graduate vacancies between 2002 and 2003 does not show the changes in vacancies offered by AGR employers in individual business areas or industries (see *Table 2.7*). Seven different types of employer recorded increases in graduate vacancy levels for 2003 including transport & logistics companies, telecommunications companies, retailers, motor manufacturers, energy, water or utility companies and public sector employers. The sharp percentage rise in vacancies at construction companies, although encouraging, should be treated with some caution as the total number of graduate positions remains very small – just 190 jobs in 2003.

The remaining twelve other types of employer all reported fewer vacancies during the 2002-2003 recruitment season. The biggest drops in graduate numbers were at investment banks or fund managers where vacancies fell by up to a third. There were also significant cuts in graduate positions in the oil, chemical & pharmaceutical industries and within IT, consulting and business services firms.

Around the UK, the graduate recruitment picture was also mixed (see *Table 2.8*). AGR employers recruited in larger numbers in Northern Ireland, Wales, East Anglia, the north east, Yorkshire, the south east and south west, but reported reduced vacancies in London and the north west. Recruitment levels in Ireland were unchanged but, in general, overseas recruitment has been cut back since 2002.

Within individual job functions, vacancies for graduates general management increased by almost a sixth, whilst the number of positions in IT, marketing and investment banking fell by up to a third (see *Chart 2.9*). Vacancies in chartered accountancy, the UK's largest recruiter of graduates, were largely unchanged from 2002. Although logistics, human resources and purchasing recorded strong percentage increases in vacancies, it is worth remembering that each of these areas account for very small numbers of graduate positions.

Table 2.7 How vacancies have changed in 2003, by type of organisation

	<i>% change in vacancies</i>
Construction company	UP 52.0%
Transportation or logistics company	UP 17.5%
Telecommunications	UP 15.6%
Retailer	UP 13.0%
Motor manufacturer	UP 9.2%
Energy, water or utility company	UP 6.5%
Public sector	UP 1.5%
Law firm	DOWN 2.3%
Commercial or retail bank	DOWN 2.3%
FMCG company or food manufacturer	DOWN 3.8%
Insurance company	DOWN 6.3%
Accountancy or professional services firm	DOWN 6.3%
Engineering or industrial company	DOWN 6.6%
Consulting or business services firm	DOWN 9.4%
IT hardware or software company	DOWN 9.8%
Chemical or pharmaceutical company	DOWN 11.0%
Media company	DOWN 13.7%
Oil company	DOWN 21.8%
Investment bank or fund manager	DOWN 34.8%

Table 2.8 How vacancies have changed in 2003, by location of vacancies

	<i>% change in vacancies</i>
Northern Ireland	UP 29.7%
Wales	UP 14.8%
East Anglia	UP 12.9%
North East	UP 8.2%
Yorkshire	UP 4.2%
South East	UP 2.1%
South West	UP 1.2%
Ireland	NO CHANGE
Scotland	DOWN 0.4%
The Midlands	DOWN 3.7%
London	DOWN 4.0%
North West	DOWN 7.0%
Europe	UP 4.9%
Rest of the World	DOWN 2.9%
Asia	DOWN 16.7%
USA	DOWN 30.7%

Chart 2.9 How graduate vacancies have changed in 2003, by business function or career area



Percentage change in graduate vacancies between 2002 and 2003

Source - High Fliers Research

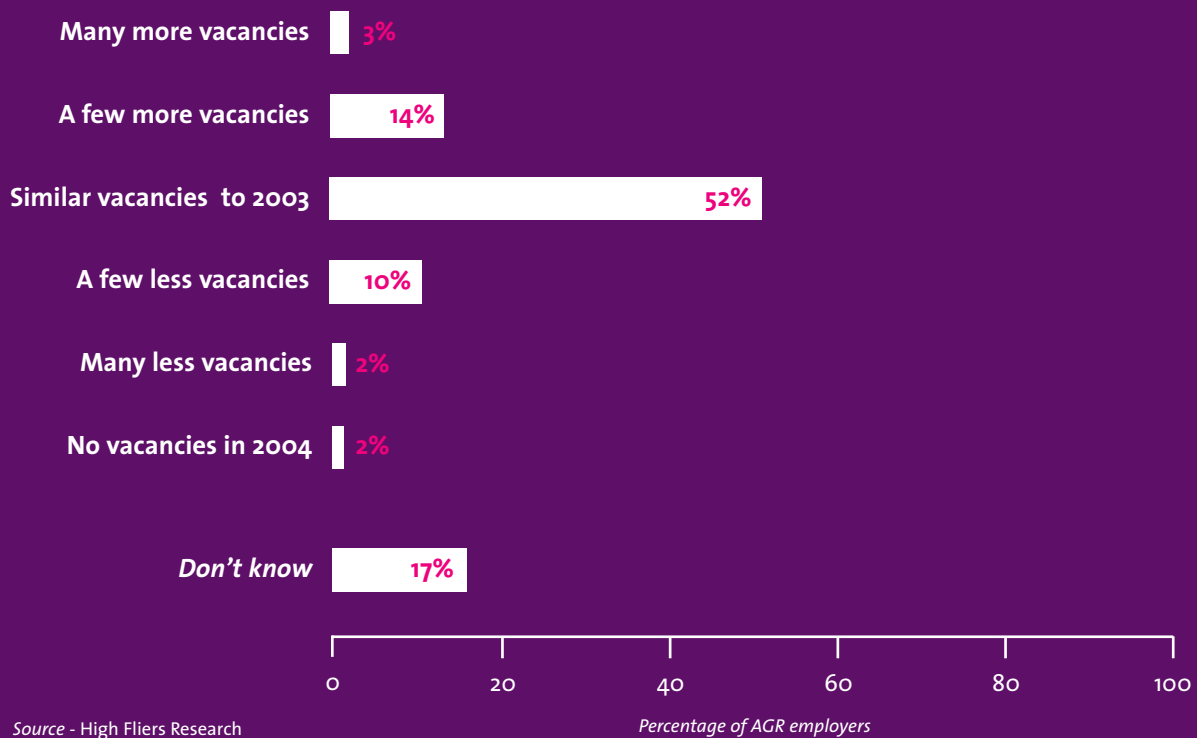
Outlook for 2004

Finally, AGR employers were asked about their views on the next graduate recruitment round (2003-2004) and the vacancy levels that they expected to be recruiting for in 2004.

The results were positive with over two-thirds of recruiters anticipating similar vacancy levels to this year or small increases to their graduate programmes, but just 3% of employers questioned said that they expected 'many more vacancies' at their organisation. One in eight employers believed that their recruitment would be cut in 2004, although most felt that it would only be by a few vacancies. 2% of recruiters confirmed that they would not be hiring graduates at all in 2004.

More than a sixth of AGR employers did not know what their graduate programmes would be like in the coming year, reflecting the continuing uncertainty about recruitment many sectors and business areas.

Chart 2.10 Changes to graduate vacancy levels that AGR employers expect in 2004



Chapter 3

Graduate Salaries

Introduction

The second part of the Summer Review for *The AGR Graduate Recruitment Survey 2003* looks at the starting salaries that employers will pay new graduates starting work later this year, compared with the rates for 2002. Employers were asked to give their *actual* starting salaries paid to graduates recruited into their organisations during the 2002-2003 recruitment season (typically to start work in the autumn of 2003), along with the starting salaries paid to graduates recruited during the 2001-2002 recruitment year who started work in autumn 2002.

Employers were asked to provide their national graduate starting salary, along with details of any variation of this rate paid to graduates in different parts of their organisations. This information means that graduate starting salary data for AGR employers is analysed by geographical region and the business function or career area that the graduates are employed within, as well as employer's industry or business sector.

As particularly high or low salaries can distort the average salary levels, the survey uses the 'median' value to compare salary levels. Throughout this section the median value is calculated by taking the 'mid-point' salary for all the actual *vacancies* under consideration, rather than the mid-point of the organisations' salaries. For example, to determine the median salary for five different employers who are offering 25 vacancies between them, the median salary is calculated to be the 13th highest salary (the mid-point) of the 25 individual vacancies, *not* the 3rd highest salary from the five employers.

All the results shown in this section refer to actual starting salaries that are to be paid in 2003 (ie for graduates recruited during the 2002-2003 recruitment season who are due to start work in autumn 2003), versus the salaries paid in 2002 (ie graduates recruited during the 2001-2002 round, who started work in autumn 2002).

Key Findings

Although the number of graduate vacancies has dropped slightly in 2003, AGR employers have continued to pay higher starting salaries for new graduates starting work this year:

- Graduate starting salaries have increased by 4.3% in 2003, compared to the salary rates paid in 2002. The median graduate starting salary for 2003 is £20,300, up from £19,500 in 2002.
- The highest starting salaries offered in 2003 are for graduate positions at investment banks, law firms, consulting or business service firms, law firms and oil companies.
- Across the UK, median salaries were highest in London (£24,000) and the south east of England (£20,500). The lowest rates were in Northern Ireland (£18,000) and Ireland (£14,000).
- By business function or career area, the highest starting salaries were for graduates starting work in investment banking, consulting, solicitors or barristers, or actuarial work.
- Over half of AGR employers expect graduate starting salaries will increase again in 2004, but only by the 'cost-of-living'. A third of recruiters predict salaries will be frozen at 2003 levels.

Comparing Graduate Salaries in 2003 & 2002

Despite the overall reduction in graduate vacancies for 2003, the survey shows that starting salaries paid by graduate employers have continued to rise. Recruiters are offering a median salary of £20,000 to new graduates starting work in autumn 2003 – £800 more than the £19,500 median salary paid in 2002.

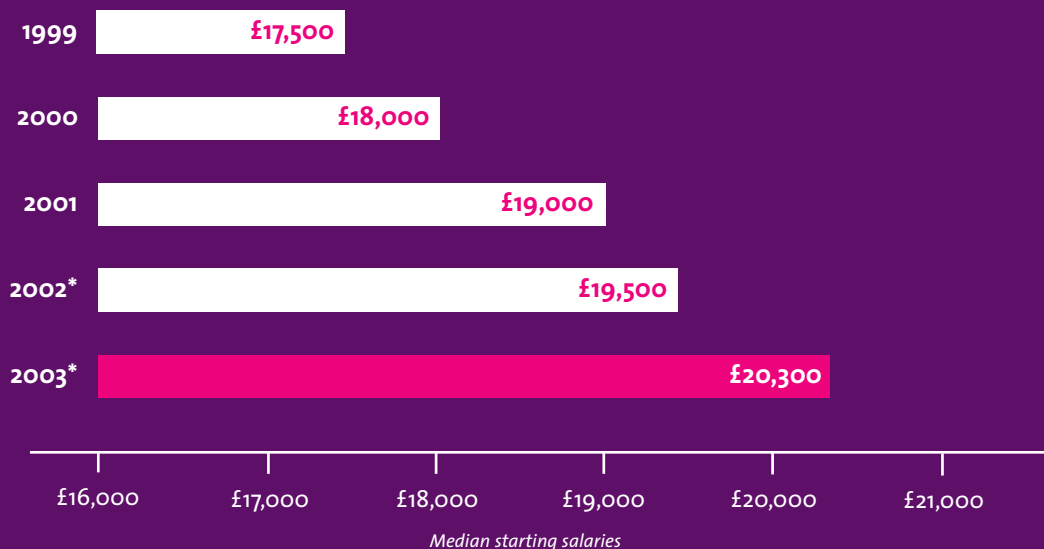
This is an increase of 4.3% year-on-year and is a little more than a ‘cost-of-living’ increase, which is currently estimated to be around 2.5%. The 2003 increase is also rather higher than the annual rises recorded by the *AGR Graduate Salaries & Vacancies Survey* in the last two years (see *Chart 3.1*), although it remains modest by comparison with the double-digit salary inflation that was a feature of the graduate recruitment market in the late 1990s. Over the last five years alone, graduate starting salaries have risen by 16%.

The profile of initial salaries on offer from AGR employers in 2003 shows that there are still very considerable differences in the rates paid by individual organisations (see *Chart 3.2*). A very small number of employers in 2003 have offered new graduates £15,000 or less for a first job, but almost two-thirds set their salaries between £17,500 and £22,500.

At the upper end of the market, one in five graduate employers are set to pay at least £25,000 to the 2,000 or so new graduates that they hired in 2003. Some 400 of these graduates – approximately 1 in 25 of the total number recruited by AGR members this year – will be paid £30,000 or more in their first job. These huge differences between the top rates of pay and the lowest starting salaries for new recruits once again highlights the very different financial outcomes that graduates’ career choices will have on their earning power after university.

Looking at how starting salaries have changed since 2002, it is interesting to see that just 2% of employers reported reducing their starting salaries whilst a third of AGR employers have maintained similar salary levels in 2003 (see *Chart 3.3*). For the 63% of organisations who increased their graduate salaries, one in six recruiters have applied a ‘cost-of-living’ rise of up to 2.5%, a third of employers have increased their starting rates by up to 5%, and a further one in six by up to 10% or more. It is interesting that several of the organisations who have recorded the largest percentage increases in their starting salaries this year were previously amongst the lowest-paying recruiters in 2002.

Chart 3.1 How median graduate starting salaries at AGR employers have changed 1999-2003



Source - Institute of Employment Studies *High Fliers Research

Chart 3.2 Graduate starting salaries at AGR employers in 2003

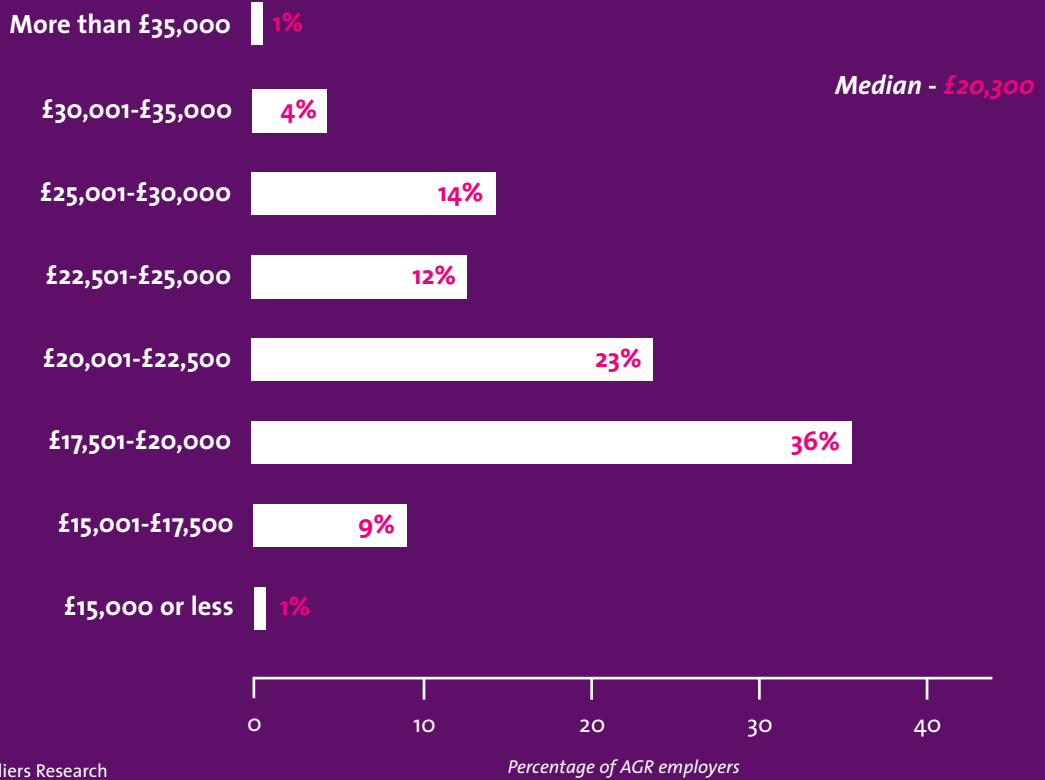
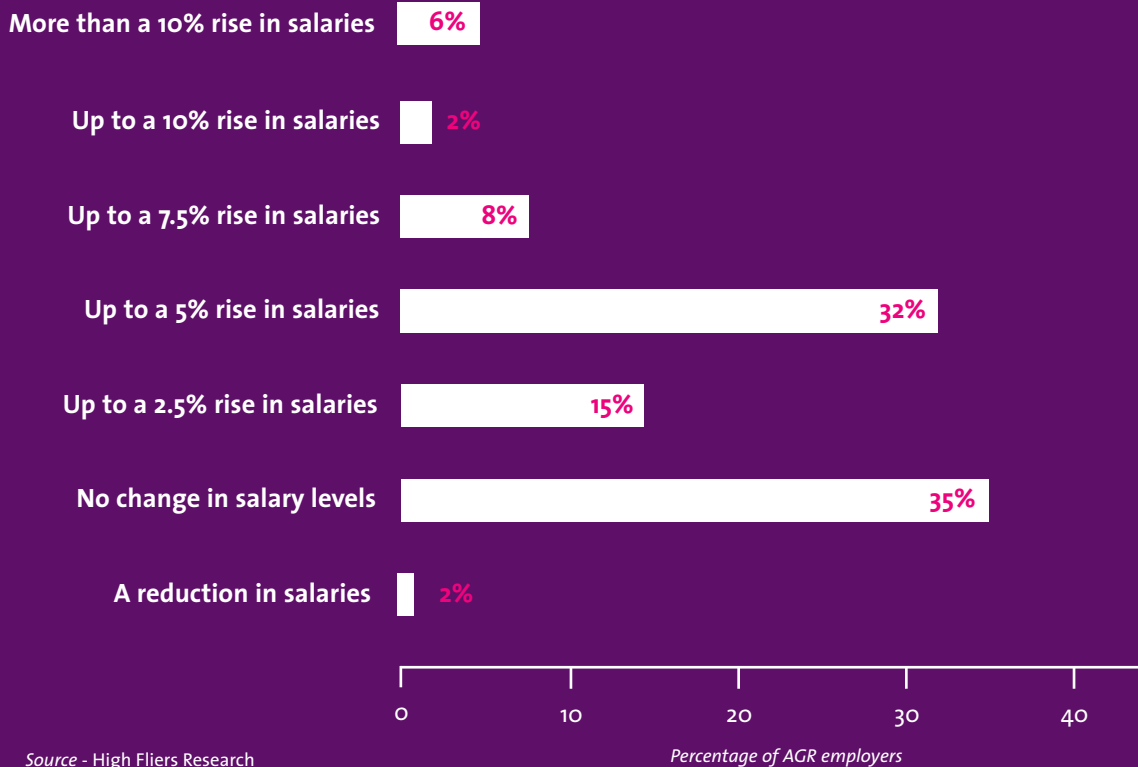


Chart 3.3 How AGR employers' graduate salary levels in 2003 have changed since 2002



Profiling Graduate Salaries in 2003

Graduate starting salaries paid by AGR employers are measured in three different ways – by the employer’s industry or business sector, the geographical location of the vacancies, or the business function or career area of the vacancies.

The highest-paying AGR employers in 2003 were investment banks or fund managers, law firms, consulting or business services firms, and oil companies (see *Table 3.4*). Each of these recruiters paid median starting salaries of between £25,000 and £35,000. Several other industries and sectors offered above-average starting salaries including fast-moving consumer goods companies, motor manufacturers, chemical or pharmaceutical companies, media companies and telecommunications employers. The lowest salaries were for those starting work at a transport or logistics company, a construction company, a retailer, or an engineering or industrial company.

Regionally, there were substantial variations in salary levels offered for 2003 (see *Table 3.5*). Graduates employed in London were set to earn the highest rate – a median of £24,000, although it should be stressed that this does include any London weighting or allowances that employers provided. The lowest salary rates were for those starting work in Wales, Northern Ireland and the north east of England. Overseas graduate salaries ranged from £14,000 in Ireland to £35,000 for the USA, but with very few vacancies in Asia or elsewhere in the world, it is not possible to calculate the median salaries.

By business function or area, the highest graduate salaries for those starting in 2003 were positions in investment banking, consulting, solicitors or barristers, and actuarial work (see *Chart 3.6*). These areas all paid between £24,000 and £35,000 to new graduates. Sales, marketing, general management, financial management and chartered accountancy each paid above average median salaries. The lowest salaries reported were in science, research & development and electrical/electronic engineering.

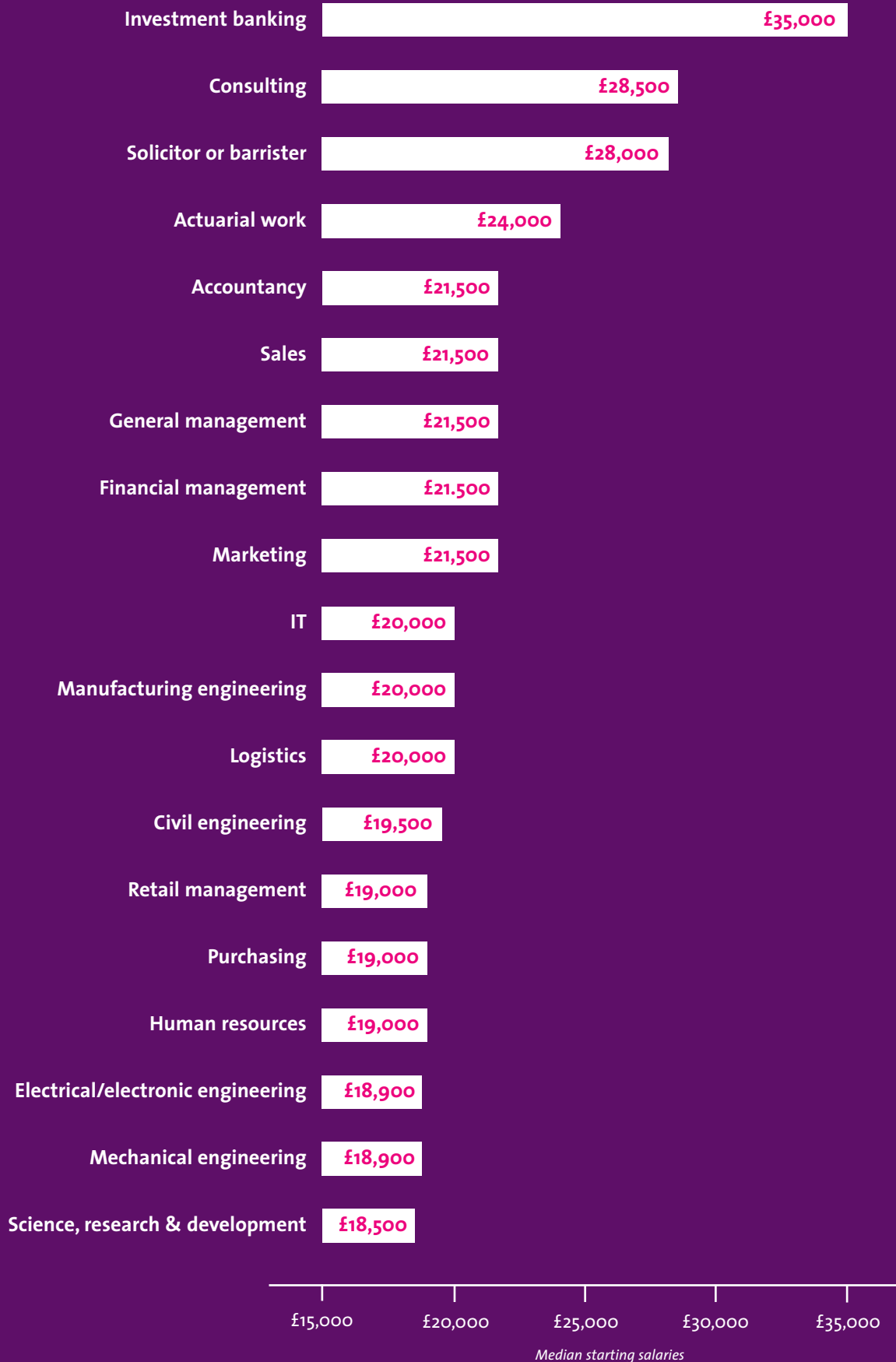
Table 3.4 Median starting salaries by type of organisation in 2003

	<i>Median Graduate Starting Salaries</i>
Investment bank or fund manager	£35,000
Law firm	£28,500
Consulting or business services firm	£28,500
Oil company	£25,500
FMCG company or food manufacturer	£22,500
Motor manufacturer	£22,300
Chemical or pharmaceutical company	£22,200
Media company	£22,000
Telecommunications	£21,500
IT hardware or software company	£20,000
Insurance company	£20,000
Energy, water or utility company	£20,000
Commercial or retail bank	£20,000
Public sector	£19,900
Accountancy or professional services firm	£19,800
Engineering or industrial company	£19,400
Retailer	£19,000
Construction company	£19,000
Transportation or logistics company	£17,000

Table 3.5 Median starting salaries by location of vacancies in 2003

	<i>Median Graduate Starting Salaries</i>
London	£24,000
South East	£20,500
East Anglia	£19,000
Scotland	£18,900
North West	£18,900
Yorkshire	£18,500
The Midlands	£18,500
South West	£18,500
North East	£18,400
Northern Ireland	£18,000
Wales	£18,000
Ireland	£14,400
Europe	£24,500
USA	£35,000
Asia	-
Elsewhere in the world	-

Chart 3.6 Median graduate starting salaries by business function or career area in 2003



Source - High Fliers Research

Changes in Graduate Salaries in 2003

This year's overall rise in the median graduate starting salaries from 2002 rates is reflected by higher salary levels in fifteen different industries and business sectors. Salaries in nine of these sectors have risen by more than 2.5%, the so-called 'cost-of-living' increase, including transport or logistics companies, construction companies, and engineering and industrial companies (see *Table 3.7*). Each of these sectors were amongst the lower-paying employers in 2002, so higher rates of increase this year has helped bring these salaries closer to the £20,300 median graduate starting salary.

Salaries in three sectors – accountancy or professional services firms, IT hardware or software companies, and telecommunications employers – have paid increases close to the cost of living, whilst just seven sectors have paid lower increases or have frozen their salaries at 2002 rates. It is interesting that these include the three highest-paid sectors for both 2002 and 2003 – investment banking, consulting or business services firms, and law firms.

Around the regions, salaries rose in all parts of the UK in 2003, with the strongest growth recorded in Northern Ireland, East Anglia, the south east of England, and Yorkshire where salaries increased by at least 6% year-on-year (see *Table 3.8*). All other parts of the UK recorded rises above 2.5% apart from London, where rates increase by 2.1%. Overseas, salaries increased by over 5% in Ireland, but remained static in Europe and the USA.

Salary levels rose most quickly in 2003 for graduates starting work in general management, engineering, purchasing, human resources and retail management (see *Chart 3.9*). Growth in starting salaries for logistics, marketing, sales, mechanical engineering, and science, research & development was limited to 1 or 2%, compared to 2002 rates. Salary levels for the seven remaining business functions were unchanged in 2003.

Table 3.7 How salaries have changed in 2003, by type of organisation

	% change in median starting salaries
Transportation or logistics company	UP 6.3%
Construction company	UP 5.6%
Engineering or industrial company	UP 4.9%
Media company	UP 4.8%
FMCG company or food manufacturer	UP 4.7%
Public sector	UP 4.7%
Retailer	UP 3.3%
Oil company	UP 2.8%
Chemical or pharmaceutical company	UP 2.8%
IT hardware or software company	UP 2.6%
Accountancy or professional services firm	UP 2.6%
Telecommunications	UP 2.4%
Law firm	UP 1.8%
Insurance company	UP 1.0%
Motor manufacturer	NO CHANGE
Investment bank or fund manager	NO CHANGE
Consulting or business services firm	NO CHANGE
Energy, water or utility company	NO CHANGE
Commercial or retail bank	NO CHANGE

Table 3.8 How salaries have changed in 2003, by location of vacancies

	% change in median starting salaries
Northern Ireland	UP 9.1%
East Anglia	UP 6.7%
South East	UP 6.5%
Yorkshire	UP 5.7%
Ireland	UP 5.3%
North East	UP 3.4%
Scotland	UP 3.3%
North West	UP 3.3%
Wales	UP 2.9%
The Midlands	UP 2.8%
South West	UP 2.8%
London	UP 2.1%
Europe	NO CHANGE
USA	NO CHANGE
Asia	-
Rest of the World	-

Chart 3.9 How median salaries have changed in 2003, by business function or career area



Percentage change in median graduate starting salaries between 2002 and 2003

Source - High Fliers Research

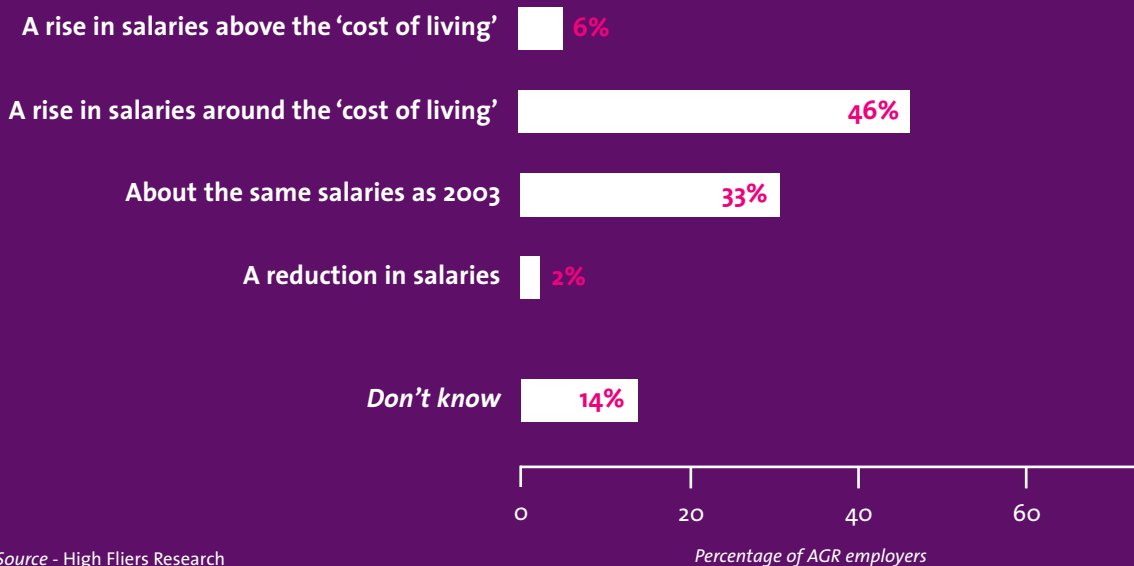
Outlook for 2004

AGR employers were also asked about their views on the next graduate recruitment round (2003-2004) and how they thought salary levels would change for graduates starting work at their organisations in 2004.

The results show that the majority of employers are cautiously optimistic and believed that 2004 salary levels would be similar to the rates paid in 2003 (see *Chart 3.10*). One in three recruiters said that their organisations were planning to freeze their starting salaries at 2003 levels for the coming year, whilst nearly half expected that their 2004 starting salaries would rise by the 'cost-of-living', approximately 2.5%. Only 6% anticipated that they would increase their starting salaries by a greater margin.

Just 2% of employers questioned believed that their starting salaries for 2004 would be reduced below the levels paid in 2003.

Chart 3.10 Changes to graduate salary levels that AGR employers expect in 2004



Chapter 4

Applications, Selection & Assessment

Introduction

Each year *The AGR Graduate Recruitment Survey* explores the techniques and processes used by employers during their annual campaigns to recruit graduates. The *Winter Review*, published every January, researches the different promotions and publicity AGR employers have undertaken to market their graduate opportunities to potential candidates. This also includes an analysis of the budgets allocated by employers to different resources such as their graduate brochures & websites, or advertising in careers publications.

For the *Summer Review*, the survey examines the applications received by AGR employers and the way in which graduates are assessed during the selection process. During the 2003 survey, recruiters were asked to provide details of the number of applications they had received from candidates for their graduate vacancies during the current 2002-2003 recruitment season, compared with the last recruitment round in 2001-2002.

Success rates were also recorded, including the number of candidates who were shortlisted for a first-round interview, those who reached final-round selection events or assessment centres, and any shortfall that employers had experienced fill their current vacancies.

The second part of the analysis focuses on the methodology that AGR employers used during selection – the timing of applications and whether they were accepted online or via paper applications, the selection criteria that candidates were assessed against, the location of first-round interviews, usage of testing, and assessment centres.

Employers were also asked about outsourcing and whether their organisation had turned to external service providers for different aspects of their graduate recruitment in 2002-2003.

Key Findings

AGR employers have received more applications per vacancy this season than last but continue to use a range of different methodologies to select and assess graduates for their organisations:

- The average number of applications per vacancy has increased from 37.8 during the 2001-2002 recruitment season, to 42.1 in 2002-2003, with individual recruiters attracting between 250 and 20,000 applications each for their graduate positions in 2003.
- Just 10% of employers reported any form of recruitment shortfall in 2002-2003
- Most organisations used the 'application, first interview, final assessment centre' model for their graduate recruitment in 2003.
- Employers were divided between having a single application deadline or accepting applications on a year-round basis, but most expect candidates to apply on-line.
- Three-quarters of AGR employers used minimum degree results as part of their entry criteria, and a further 40% insisted that candidates held certain numbers of UCAS points.

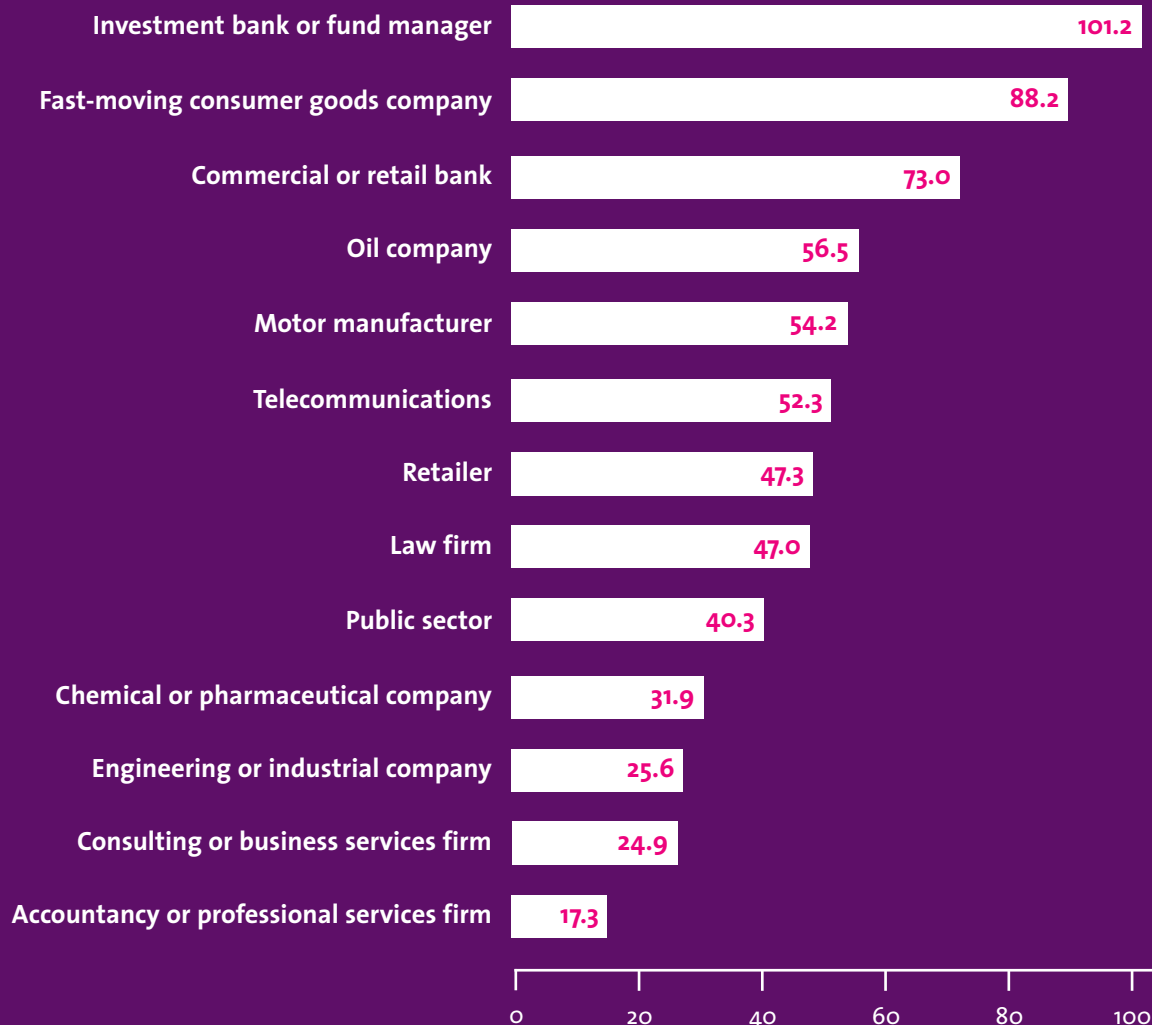
Applications to Graduate Employers

The survey shows that application levels for graduate jobs have risen noticeably this year. Employers received an average of 42.1 applications per vacancy during 2002-2003, compared with 38.4 applications per vacancy in 2001-2002 (see *Chart 4.2 & 4.3*). There were, however, very considerable variations in the volume of applications that recruiters attracted for their graduate vacancies – 1 in 7 AGR employers reported receiving fewer than 500 applications for their recruitment campaign in 2002-2003, whilst four recruiters had had more than 10,000 candidates apply during the year. The majority of employers received between 1,000 and 5,000 applications, the average for 2002-2003 being 2,840 applicants.

These application levels are inevitably linked to the number of vacancies that employers have been promoting. Despite this, analysis of the number of applications per vacancy shows that a fifth of recruiters received up to 25 applications per vacancy, but a further 1 in 5 employers attracted ten times this level of interest, with up to 250 applications per place. The majority of employers received between 25 and 100 applicants for each graduate position.

The cause of such widely differing application levels can generally be traced to the industry or business sector that employers are recruiting for. Investment banks & fund managers, FMCG companies and commercial or retail banks attracted the most interest with up to 100 applicants per vacancy (see *Chart 4.1*). The lowest application rates were for graduate vacancies at accountancy or professional services

Chart 4.1 Applications per graduate vacancy to AGR employers in 2003, by industry



Source - High Fliers Research

Average applications per graduate vacancy by AGR employers in 2003

firms and engineering or industrial companies, although it should be noted that many of these employers offered the largest total numbers of vacancies in 2003.

The survey also confirmed the success rates for candidates applying for graduate positions in 2002-2003. Of the average 42.7 candidates who applied for each place, 7.9 were invited to a first-round interview, and 3.0 candidates went on to final assessment centres. Overall, AGR employers seemed to have had a successful recruitment round in 2002-2003 with just 10% predicting any kind of shortfall.

Chart 4.2 Total applications for graduate vacancies received by AGR employers in 2003

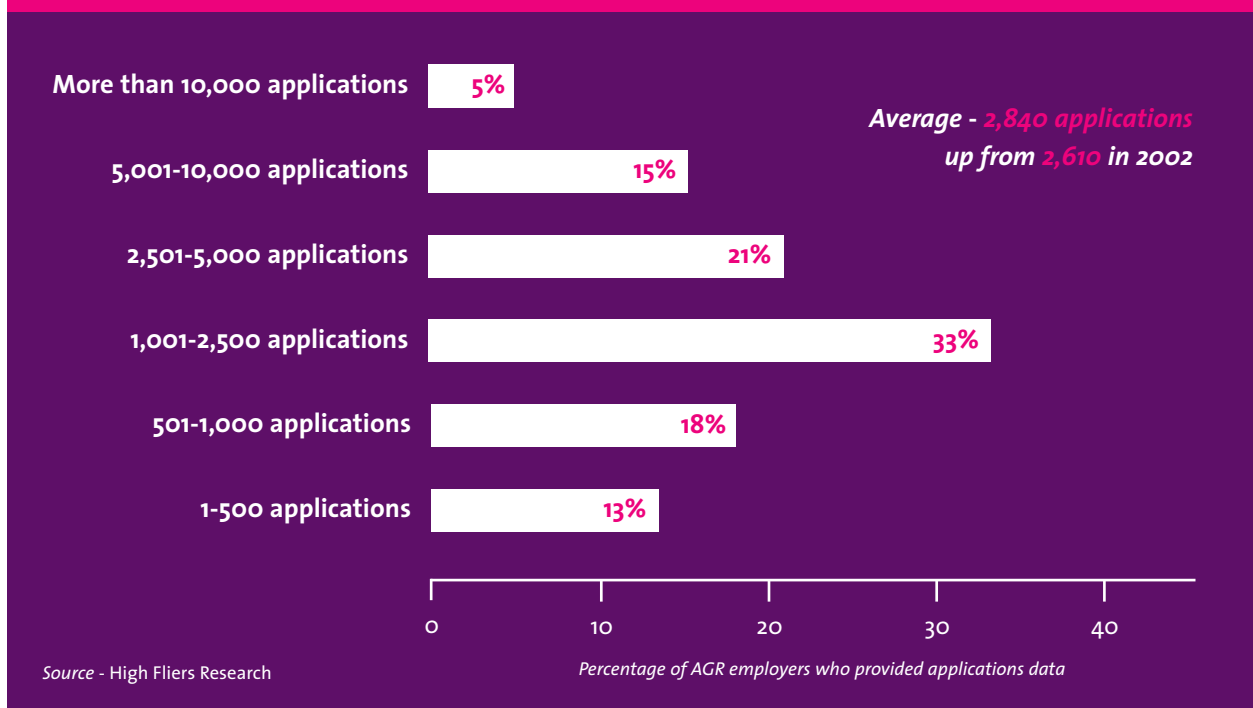
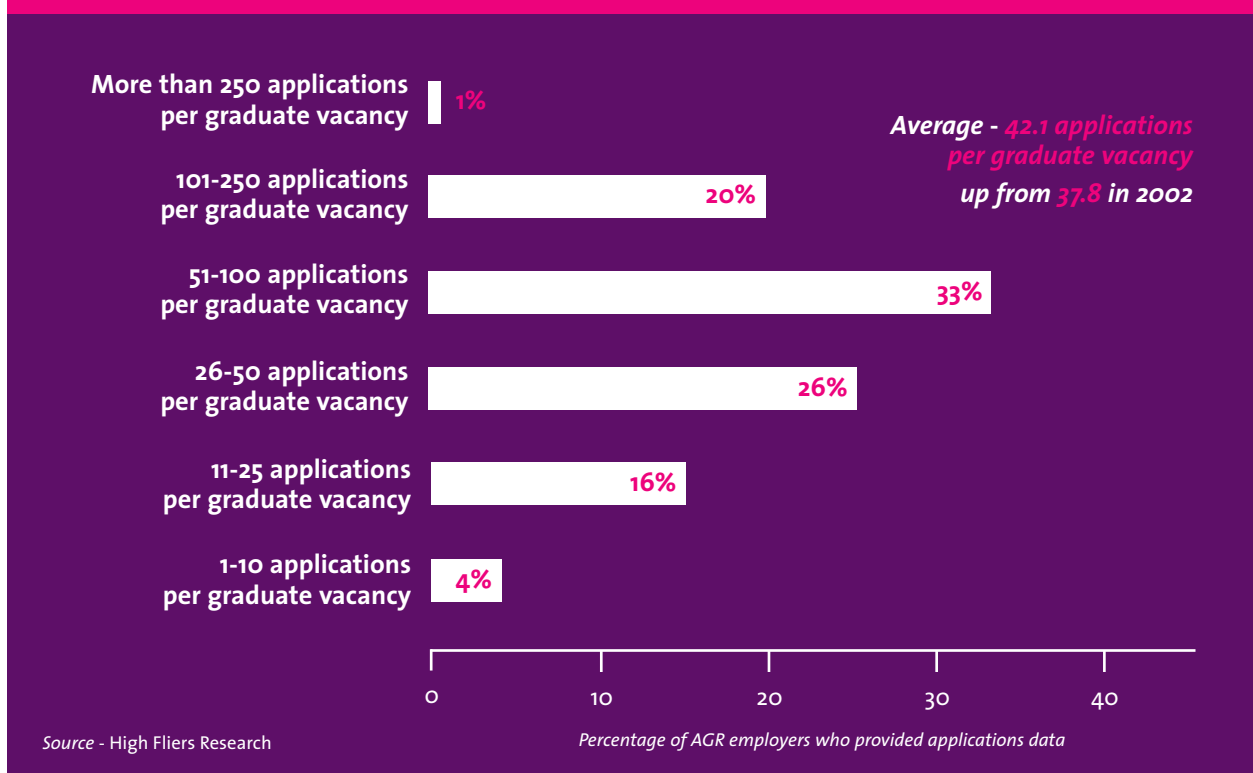


Chart 4.3 Applications per graduate vacancy received by AGR employers in 2003



Selection & Assessment in 2002-2003

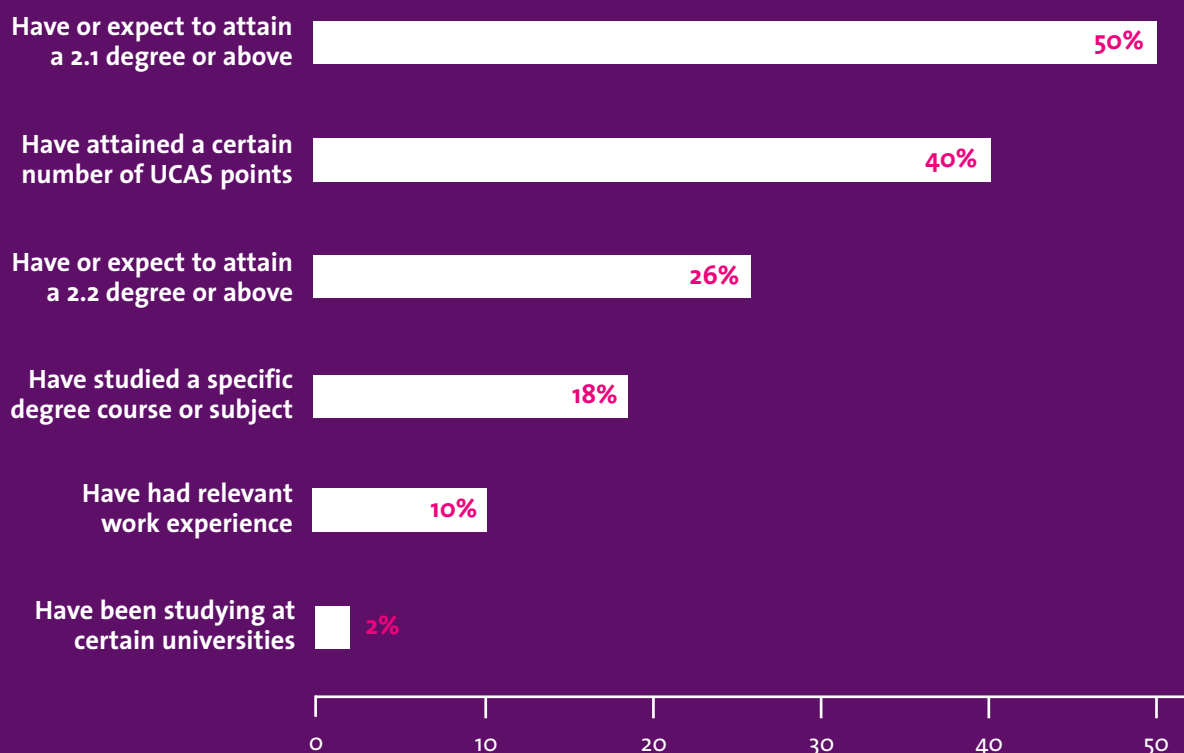
AGR employers used a variety of different selection criteria to assess applicants for their graduates vacancies during 2002-2003. The most widely stipulated ‘minimum criteria’ for applicants were specific academic results (see *Chart 4.4*). Half of all recruiters required 2.1 degrees or above and a further 26% wanted their applicants to attain at least a 2.2 degree. ‘A’-level UCAS points were another popular indicator, particularly with investment banks, accountancy firms, consulting or business services firms and law firms. In all, 40% of employers had specified the number of points that they required applicants to hold, the most common requirement being 22 or 24 UCAS points, equivalent to ‘BBB’ or ‘BBC’ grades at ‘A’ level.

Employers were divided about the timetable for applications. Over 40% had used a single deadline for their applications during 2002-2003, most often around the December to February period, but nearly 60% opted for round-the-year recruitment, multiple deadlines, or hiring on a job-by-job basis during the season (see *Chart 4.5*). The vast majority of employers accepted online applications with nearly half of all recruiters now only accepting applications via their website. Just 17% of employers in 2003 only accepted paper applications or a CV with a covering letter.

A very large number of AGR employers used the ‘application, first interview, assessment centre’ model for their graduate recruitment, although there were many variations on the theme such as extra rounds of interviews, or including a telephone interview as part of the initial screening. Those who conducted face-to-face interviews for their first round used three main locations – half opted to see candidates at their head office or national recruitment centre, a third met applicants at a regional centre such as a local office or hotel, whilst the remainder visited key universities for ‘milkround’ style interviews.

More than half the recruiters questioned had used a competency-based approach to their selection and similar numbers made use of psychometric, numeracy or verbal reasoning tests either before or during their final-round assessment centres (see *Chart 4.6*).

Chart 4.4 Minimum criteria that AGR employers required for graduate applicants in 2003



Source - High Fliers Research

Percentage of AGR employers

Chart 4.5 Application process and methodology used by AGR employers in 2002-2003

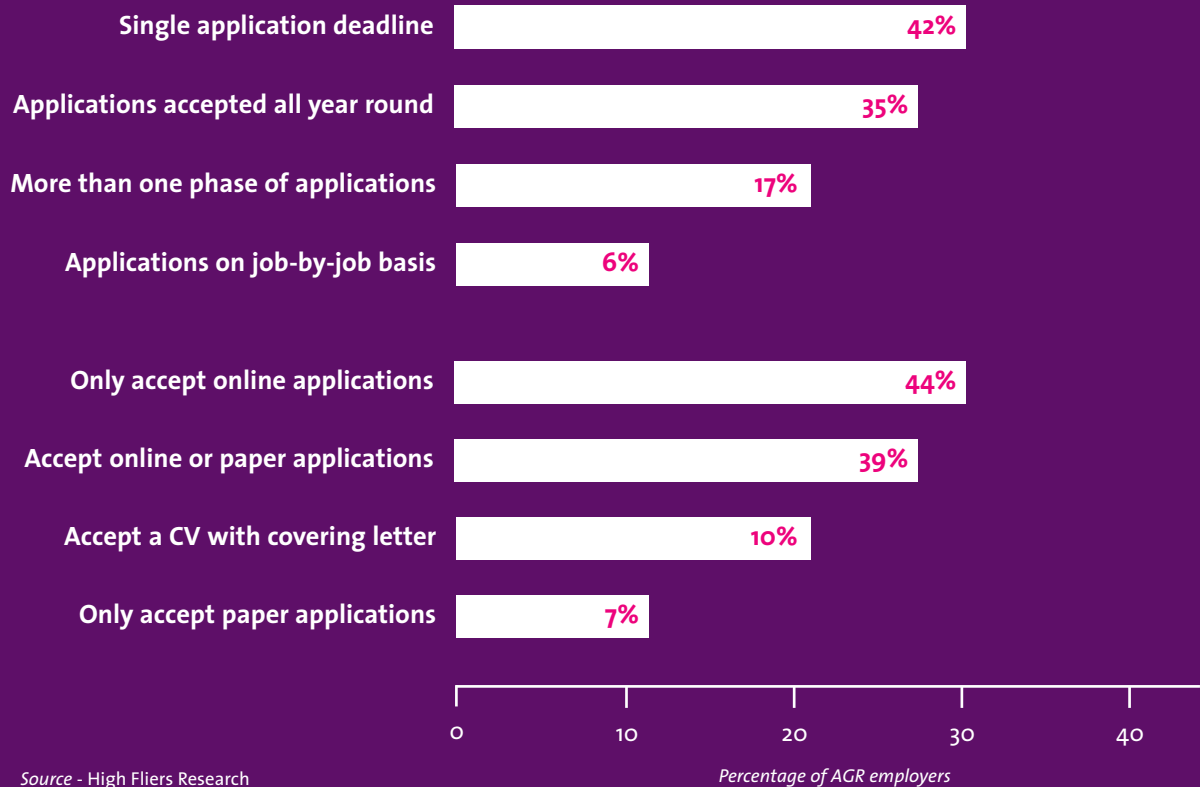
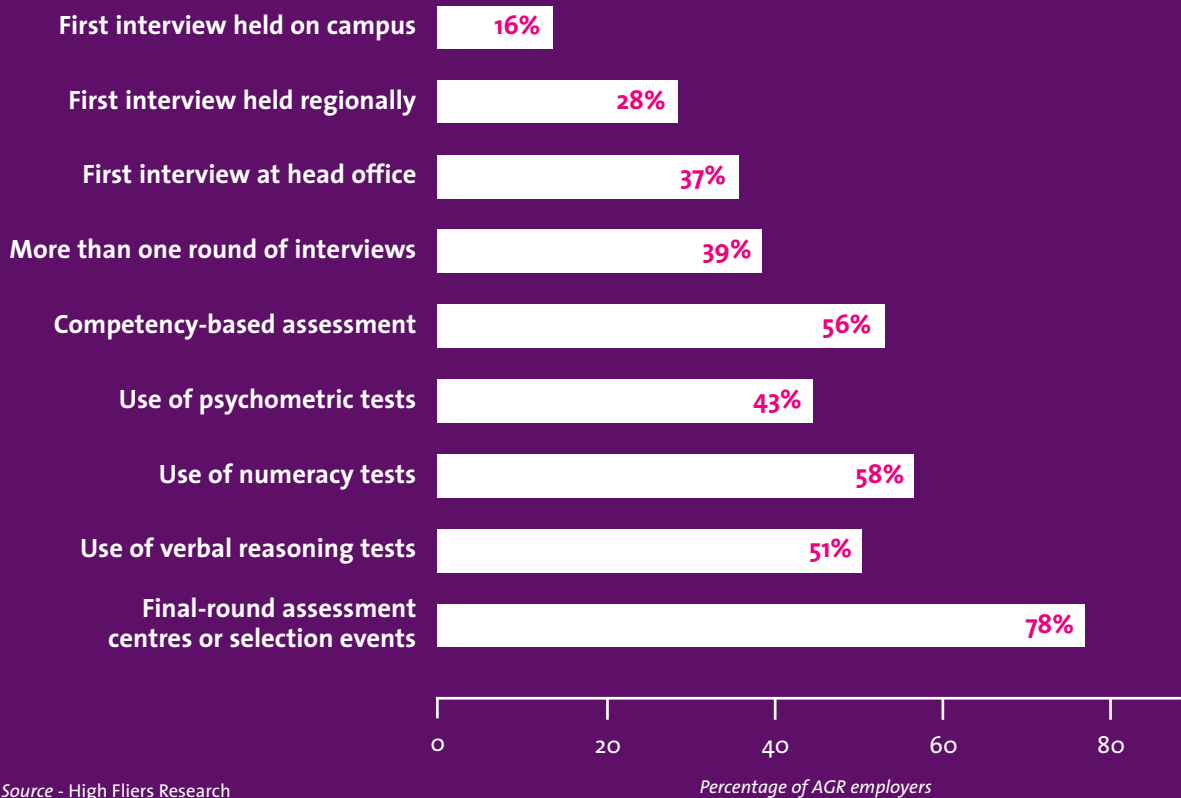


Chart 4.6 Selection & assessment techniques used by AGR employers in 2002-2003

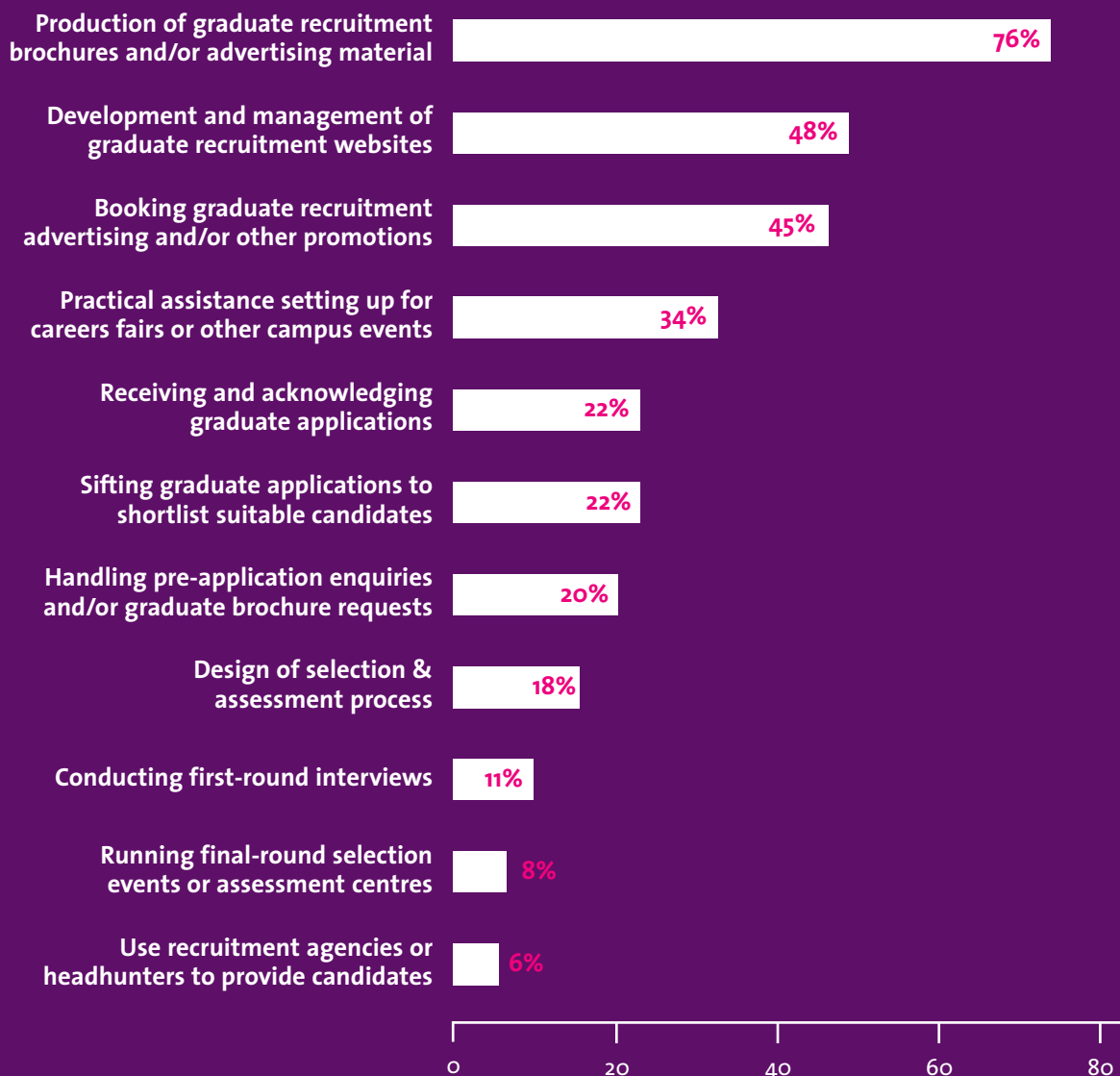


Outsourcing by Recruiters

Employers were asked about the functions of graduate recruitment that they had ‘outsourced’ to a third-party supplier in the 2002-2003 recruitment season. Perhaps unsurprisingly most external suppliers were used to provide some form of marketing expertise or assistance and up to three-quarters of all recruiters had used agencies to produce their graduate brochures & websites, or to book advertising (see *Chart 4.7*). Over a third of employers sought help setting up their display stands at university careers fairs or with the stage management of campus presentations.

Noticeably fewer recruiters had used external suppliers for their response handling or during the selection process. A fifth of AGR employers had outsourced pre-application enquiries or the receipt & acknowledgement of applications, with a similar number using agencies to sift applications and shortlist suitable candidates. Just 11% of recruiters had sought outside help with first round interviews and 8% with the running of final-round selection events, although 18% of organisations had external assistance with the design of their selection process. The least-used resources were headhunters and recruitment agencies who had been employed by just 6% of employers during the year.

Chart 4.7 Elements of graduate recruitment outsourced by AGR employers in 2002-2003



Source - High Fliers Research

Percentage of AGR employers

Chapter 5

Graduate Retention & Salary Progression

Introduction

The penultimate section of the *Summer Review for The AGR Graduate Recruitment Survey 2003* investigates the retention rates and salary progression for graduates employed by AGR employers. This part of the survey is conducted annually to provide a benchmark of how graduates fare in their first five years of employment.

Employers were asked to record the percentage of graduates remaining with their organisation who were recruited one, three and five years ago. These were graduates hired during the 2001-2002, 1999-2000 and 1997-1998 recruitment seasons, who started work in 2002, 2000 and 1998 respectively. For many organisations this data can be difficult to collect, particularly for organisations which recruit graduates into multiple operating businesses, but recruiters were asked to provide as much detail as was available.

Similarly, employers were asked to provide details of the salary progression of graduates who had joined their organisations one, three and five years ago. Recruiters were asked to estimate the typical current salary paid in 2003, for graduates hired during the 2001-2002, 1999-2000 and 1997-1998 recruitment seasons, who started work in 2002, 2000 and 1998 respectively. Again for a number of employers this data is not straightforward to obtain as graduates often make very different progress during their early years of employment, so recruiters were asked to provide details of how an 'average' graduate's salary might have progressed over time.

As many employers were unable to provide a complete set of data for this section of the survey, the results in this chapter are based on the 120 AGR employers who did provide full comparative data for their graduate retention and the 92 AGR employers who gave comprehensive salary information.

Key Findings

AGR employers reported encouraging graduate retention rates for their organisations and strong salary progression for those recruited during the past five years:

- The average retention rates at AGR employers are 94% for graduates recruited one year ago, 79% for graduates who began work three years ago, and 61% for those hired five years ago.
- The highest retention rates are recorded by public sector employers, chemical, pharmaceutical engineering or industrial companies, and IT hardware or software companies
- Accountancy or professional services firms and retailers recorded the lowest retention rates.
- The median salaries currently paid by AGR employers are £22,300 for graduates recruited one year ago, £27,600 for graduates who began work three years ago and £32,700 for those hired five years ago.
- The most generous salary progression was for graduates working in consulting or business services firms, law firms, and IT hardware or software companies.

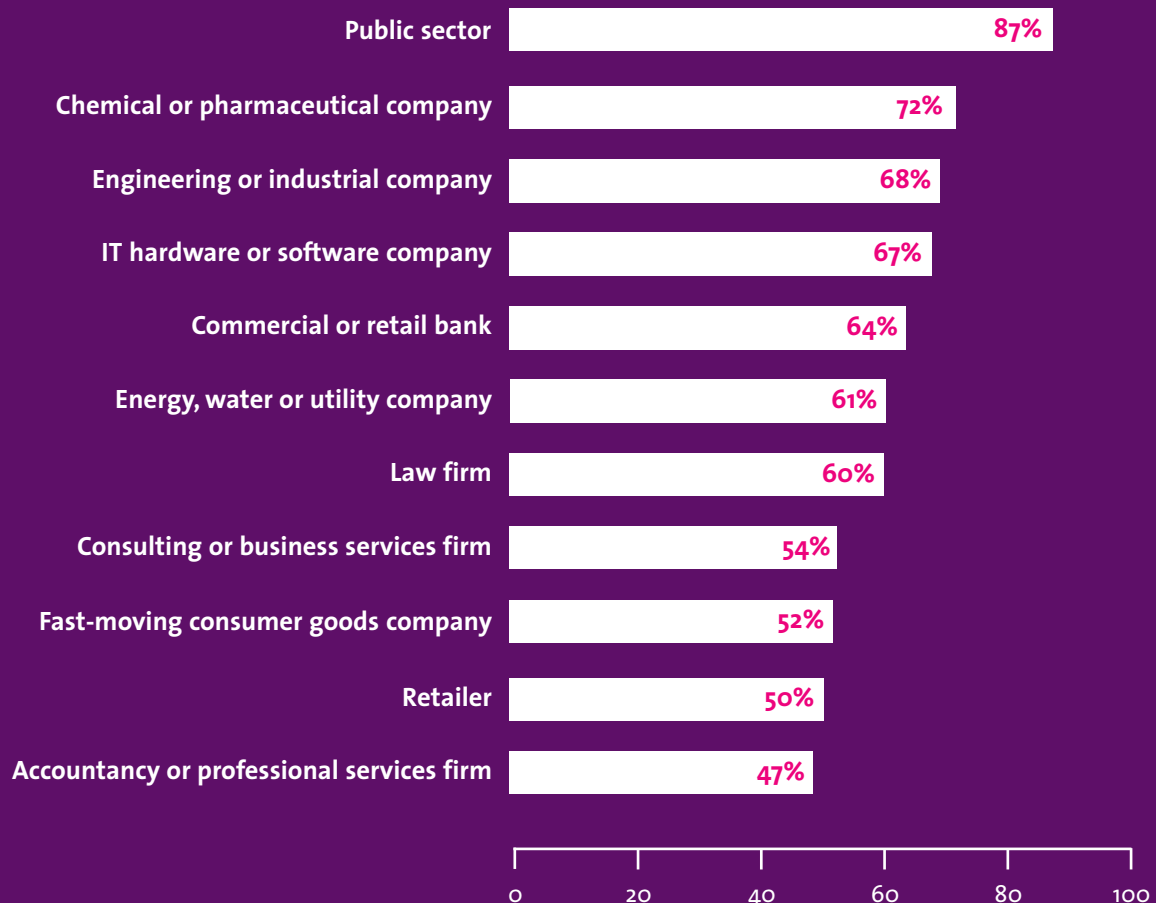
Graduate Retention Rates

AGR employers reported a wide range of retention rates for graduates recruited during the five years since 1998. On average, 94% of graduates who were hired during the 2001-2002 recruitment season and started work one year ago were still working for the organisation; 79% of graduates recruited during 1999-2000 who started work in 2002 remained with their first employer; and 61% of graduates from the 1997-1998 recruitment round who began work in 1998 had been retained (see *Charts 5.2-5.4*).

Despite these very positive average rates, recruiters' retention levels did vary considerably. Nearly fifty employers reported that they had retained all 100% of the graduates hired in 2002, five employers believed that 100% of their 2000 graduates remained with their organisation, and two recruiters claimed a 100% retention rate for those recruited in 1998. On a less positive note, two recruiters had already lost 50% of their graduate intake from 2002 and six recruiters had retained a quarter or less of their graduate recruits from 1998.

Analysing AGR employers by industry or business area shows the different graduate retention rates for recruits who started work in 1998 (see *Chart 5.1*). The public sector, chemical or pharmaceutical companies, engineering or industrial companies, and IT hardware or software companies had the highest rates, retaining at least two-thirds of graduates. The lower rates were for accountancy or professional services firms, retailers, fast-moving consumer goods companies, and consulting or business services firms, all of whom on average retained approximately half of their graduates from five years ago. Insufficient data means that unfortunately some the results for other business areas, including investment banks & fund managers, could not be calculated.

Chart 5.1 Retention rates for graduates recruited by AGR members five years ago, by industry



Source - High Fliers Research

Average percentage of graduates retained by AGR employers from those recruited in 1998

Chart 5.2 Retention rates for graduates recruited by AGR members one year ago, in 2002

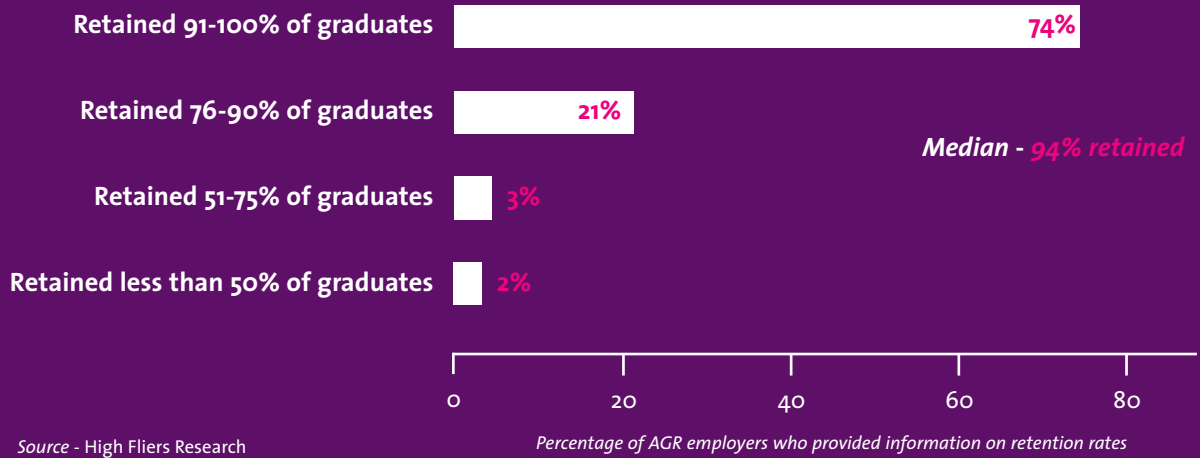


Chart 5.3 Retention rates for graduates recruited by AGR members three years ago, in 2000

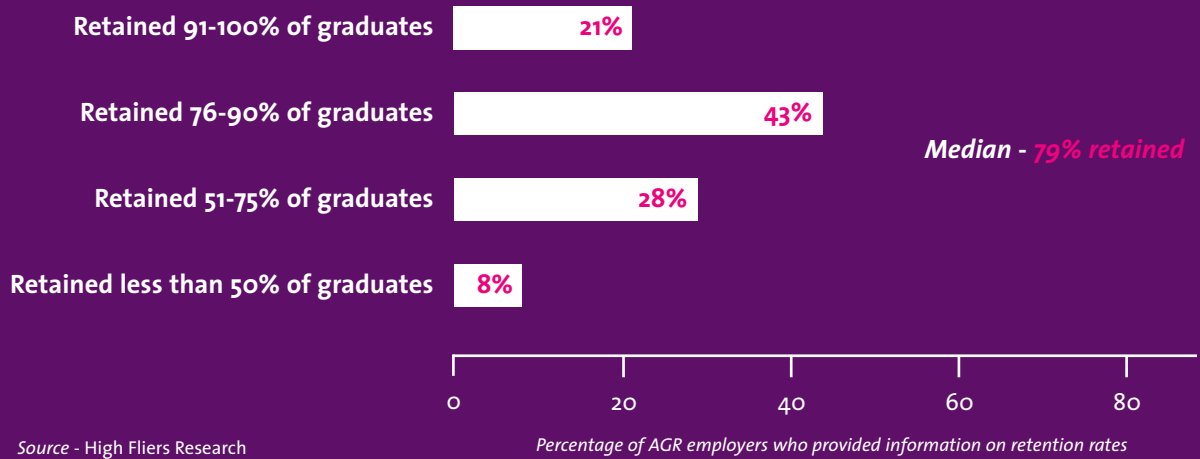
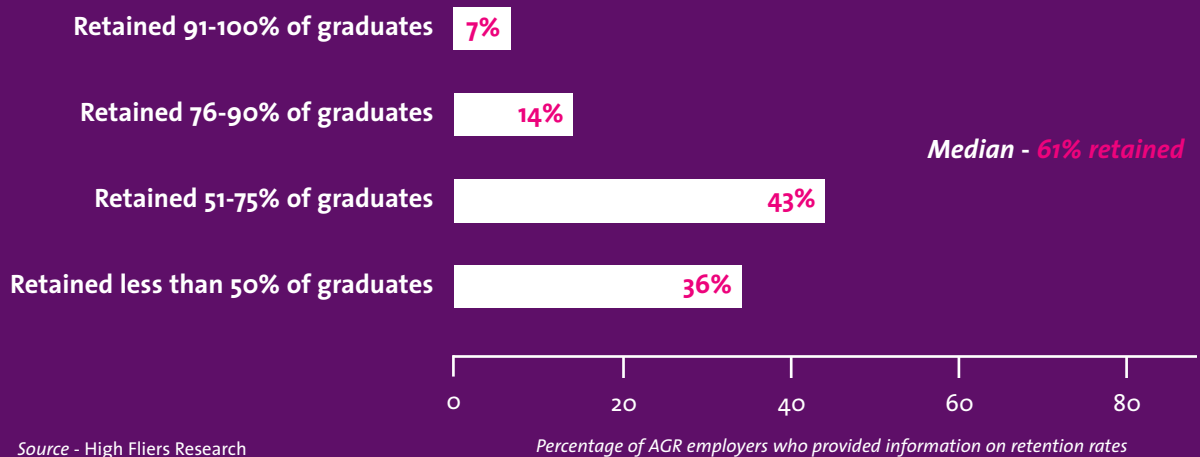


Chart 5.4 Retention rates for graduates recruited by AGR members five years ago, in 1998



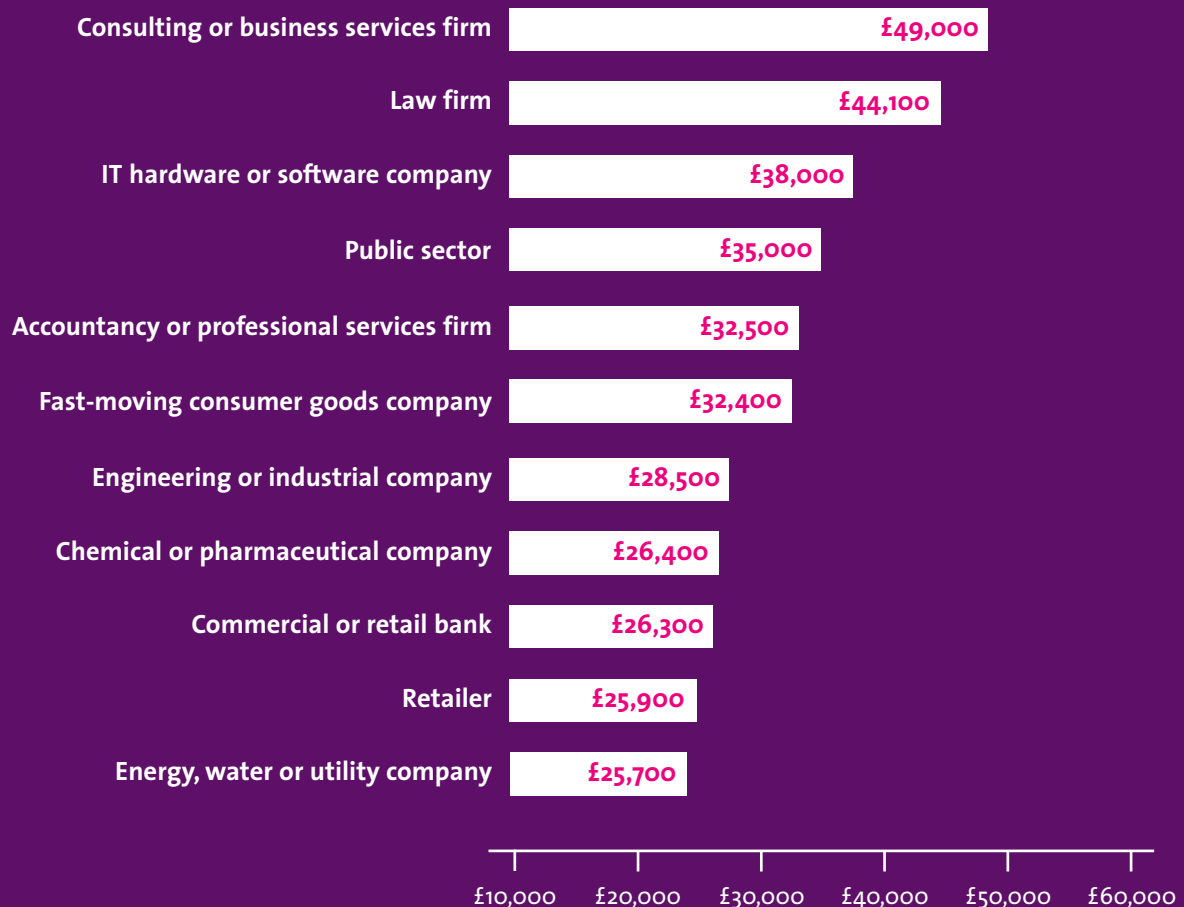
Graduate Salary Progression

The latest salary figures for graduates who began work with AGR employers over the last five years show that many have enjoyed rapid pay progression. For those who started work a year ago in 2002, the median salary is now £22,100 – an increase of 8.9% on the median salaries on offer to new graduates this year. Graduates from the ‘Class of 2000’ who remain with their first employer are currently being paid a median salary of £27,600 – some 36.0% higher than the graduates of 2003; and those who were recruited five years ago have median salaries of £32,700 – a 61.1% premium on today’s graduate pay rates (see *Charts 5.6-5.8*).

These results suggest that many graduates who choose to remain with their first employer are being well-rewarded by their organisations. However, the analysis of salary progression within individual industries and business areas for graduates hired in 1998 does show a wide variation in fortunes (see *Chart 5.5*). Consulting or business services firms, law firms, IT hardware or software companies, and public sector employers are the most generous organisations, each paying on average between £35,000 and £50,000 to graduates who have been employed for five years. Indeed three AGR employers – a law firm, a consulting firm and an investment bank – each reported that the average salary for graduates recruited five years ago is now between £60,000 and £75,000 at their organisations.

Those working for an energy, water or utility company, a retailer, a commercial or retail bank, or a chemical or pharmaceutical company can expect to earn between £25,000 and £27,000 after five years – around half the top rates of pay available in other sectors. Once again, incomplete data means that it is not possible to provide average salary progression rates for other sectors, including investment banks.

Chart 5.5 Current salaries paid to graduates recruited by AGR members five years ago, by industry



Source - High Fliers Research

Average salaries being paid to graduates at AGR employers recruited in 1998

Chart 5.6 Salaries paid now to graduates recruited by AGR members one year ago, in 2002

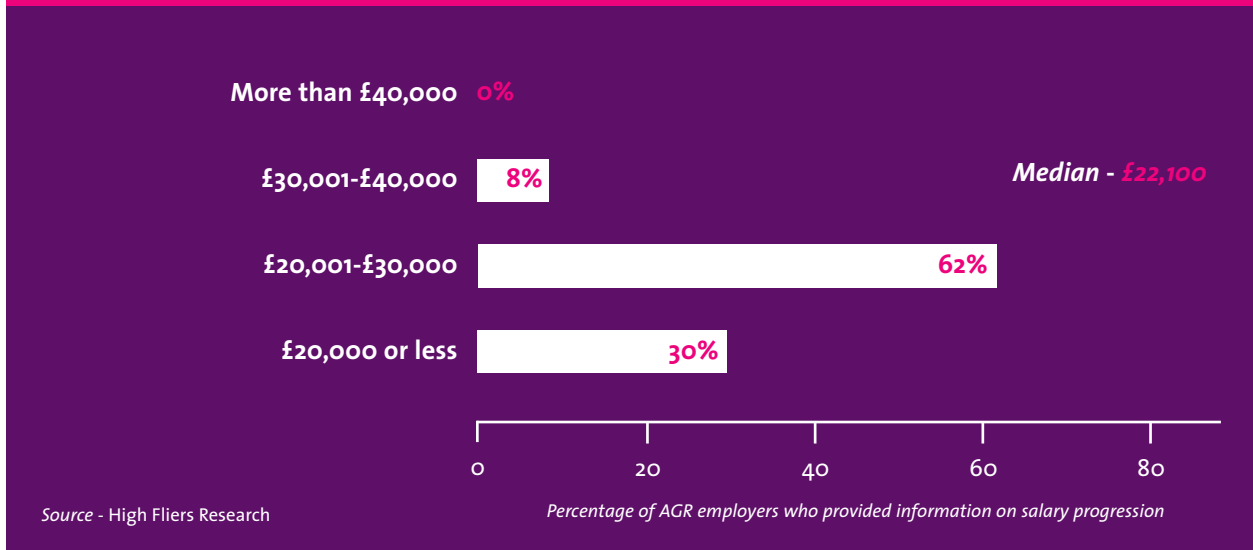


Chart 5.7 Salaries paid now to graduates recruited by AGR members three years ago, in 2000

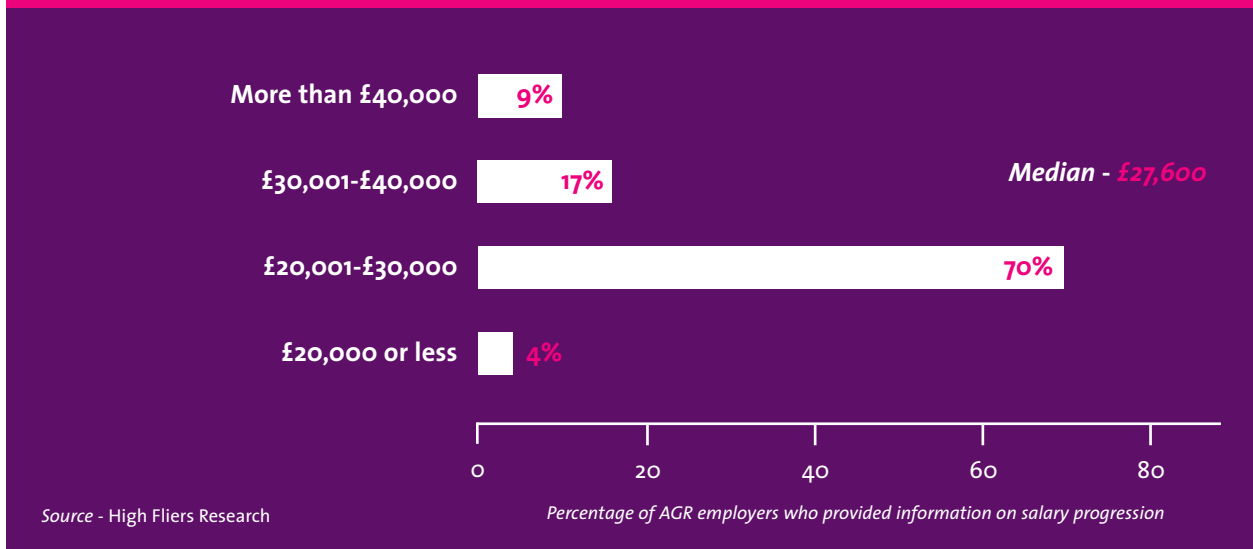
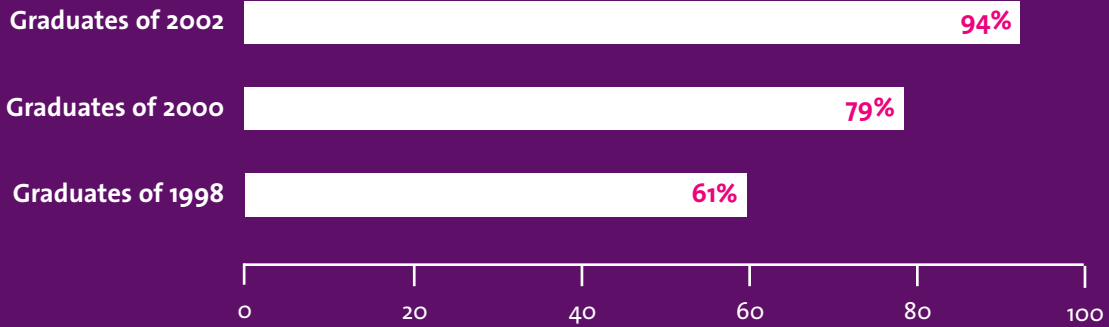


Chart 5.8 Salaries paid now to graduates recruited by AGR members five years ago, in 1998



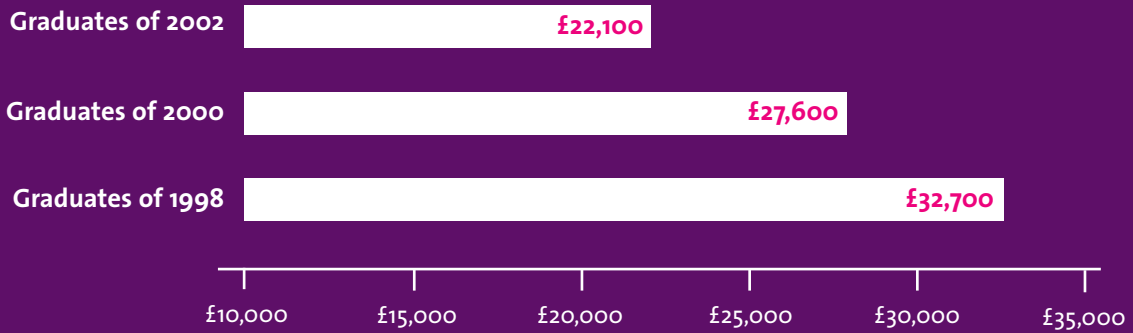
Chart 5.9 Summary of retention rates for graduates recruited by AGR members 1998-2002



Source - High Fliers Research

Percentage of AGR employers who provided information on retention rates

Chart 5.10 Summary of current salaries graduates recruited by AGR members 1998-2002



Source - High Fliers Research

Median salaries paid by AGR employers who provided information on salary progression

Chapter 6

Work Experience Programmes

Introduction

The final part of the *Summer Review for The AGR Graduate Recruitment Survey 2003* looked at the work experience programmes that AGR employers offered.

Employers were questioned about the number of summer placements that were available at their organisations for the summer of 2003. Such placements are typically 6-12 weeks long, but shorter experiences are available in a number of industries. These placements are mainly taken independently of students' degree courses and provide additional work experience that is not directly available through the university experience.

Recruiters were also asked about the number of longer placements that they were offering for undergraduates during the 2003-2004 academic year. These experiences generally last between three months and a year and often form part of a 'sandwich' degree course or a year-out experience during studies. Many students who apply for these placements do so with the support and encouragement of their academic department and it is common for the work experience obtained to count towards students' degree coursework.

AGR employers were also asked about the salaries that they paid students during their work experience. In order to provide a consistent comparison, employers provided basic details of the monthly rate paid, even though several recruiters advertised their work placements on the basis of weekly pay or the pro-rata equivalent of annual salary scales.

In all, 129 organisations provided data about the vacancies and salaries payable for their work experience programmes in 2003-2004.

Key Findings

Nearly three quarters of all AGR employers offered work experience programmes either for summer placements in 2003 or longer placements during the 2003-2004 academic year:

- **51% of recruiters provided summer placements of up to 12 weeks for the summer of 2003, with a median of 21 places per employer.**
- **typical salaries for summer placements were between £750 and £1,250 per month, although several organisations paid up to £2,000 per month to their undergraduates.**
- **over half of employers were set to offer longer placements of between three months and a year during 2003-2004, with a median of 10 places per employer.**
- **salaries for these longer experiences were generally more generous, with most employers paying between £1,000 and £1,250 per month for their work.**
- **the majority of undergraduates who take part in successful work experience placements with AGR employers can expect preferential treatment during the selection round for graduate jobs.**

Work Experience Programmes

Nearly half of all AGR employers offered places for undergraduates on a summer work experience programme in 2003. The median number of places was 21, but over twenty recruiters reported that they were running summer schemes for 50 or more undergraduates (see *Chart 6.1*).

A similar number of employers are offering longer work placements of up to 12 months for students during the 2003-2004 academic year, albeit with a lower number of vacancies. The median places available is 11 per organisation, with a third of recruiters offering 10 or fewer places (see *Chart 6.2*).

In terms of salary, there is a wide variation in the payments made to undergraduates. A handful of recruiters pay £500 or less per week for their summer placements, but the majority offer between £750 and £1,250 per week, equivalent to annual salaries of £9,000-15,000 (see *Chart 6.3*). The top summer salaries were more than £2,000 per month paid by an FMCG company and an investment bank. Longer placements generally paid slightly higher salaries, with most in the range of £1,000-£1,250 per month.

Chart 6.1 Summer work experience placements offered by AGR employers in 2003

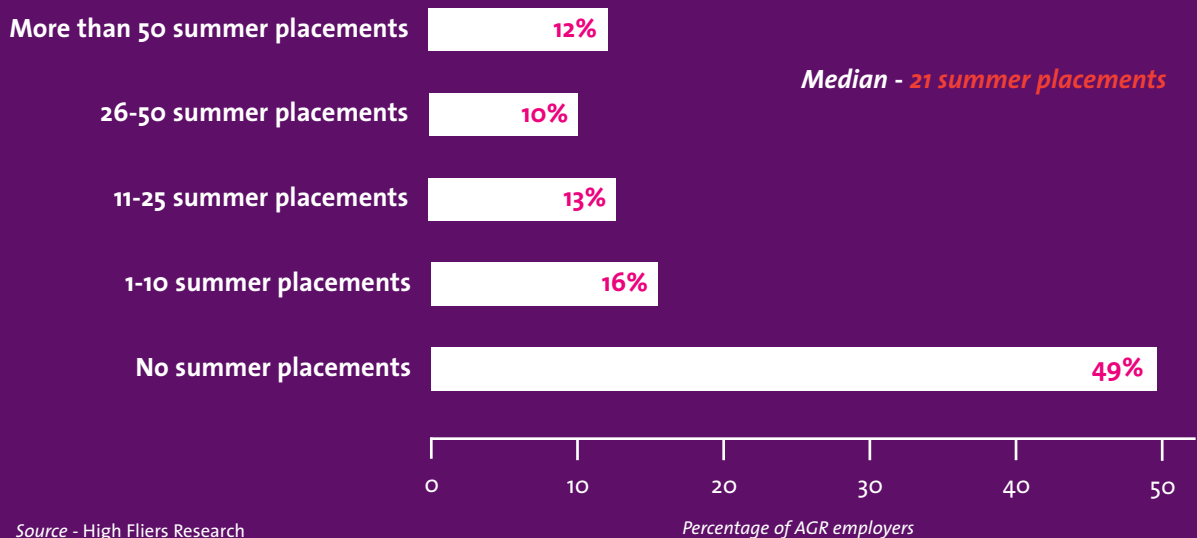
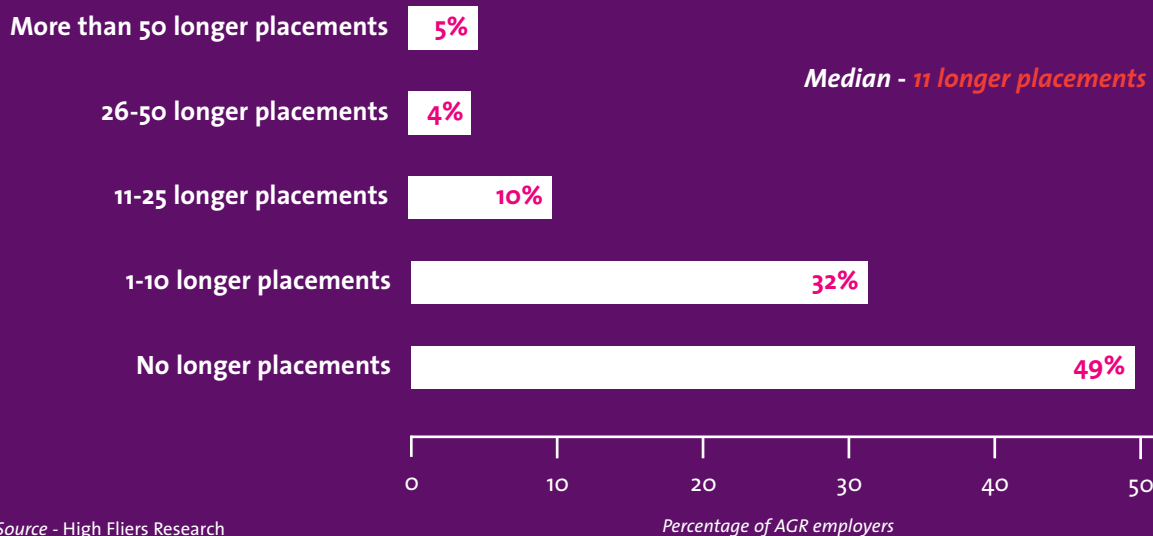


Chart 6.2 Longer work experience placements offered by AGR employers in 2003-2004



Just two organisations paid less than £750 per month for their long placements – equivalent to just £4.30 per hour (see Chart 6.4).

Finally, recruiters were asked whether or not undergraduates who had completed successful work experience placements with their organisations were given any preferential treatment in the selection round for graduate jobs (see Chart 6.5 overleaf). Nearly half of all AGR employers who offered placements this year confirmed that this was the case, and a third reported that they would actually offer candidates a full-time graduate job on the basis of a successful placement. Just 21% of recruiters said that employers would treat undergraduates from their work experience programmes no differently to other applicants for graduate jobs.

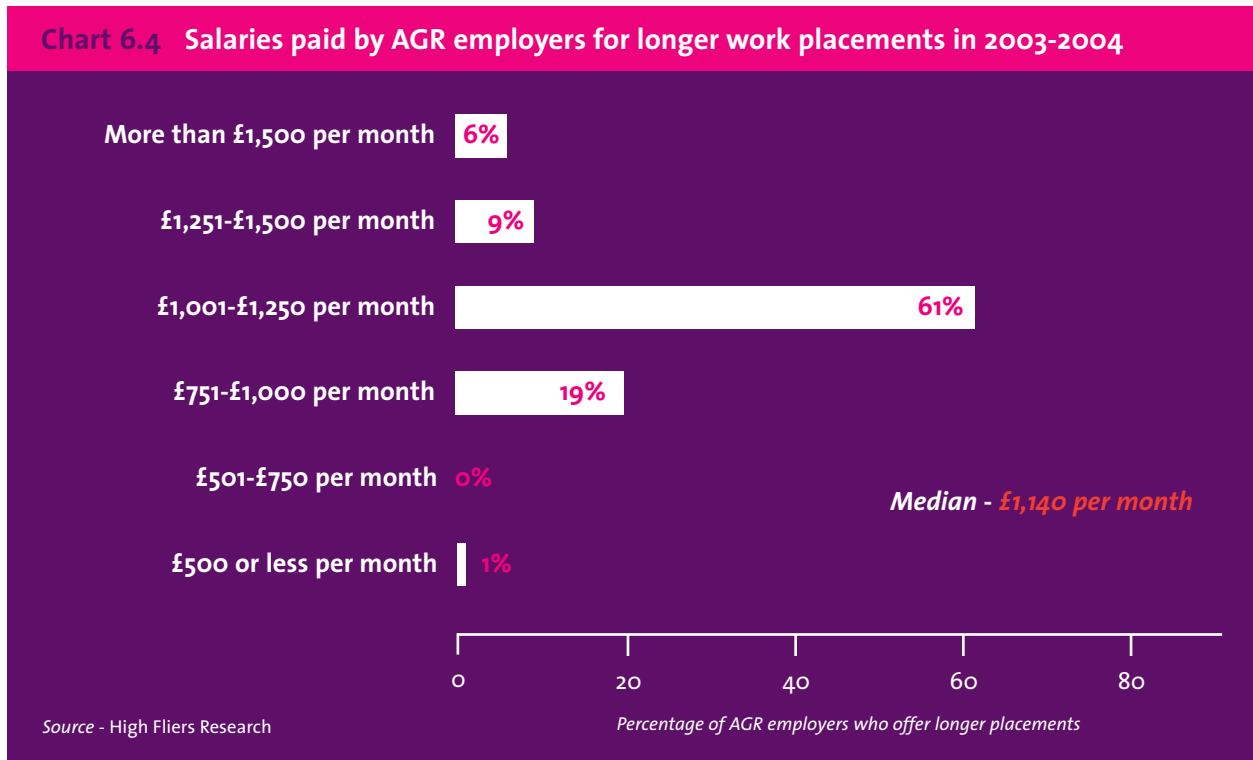
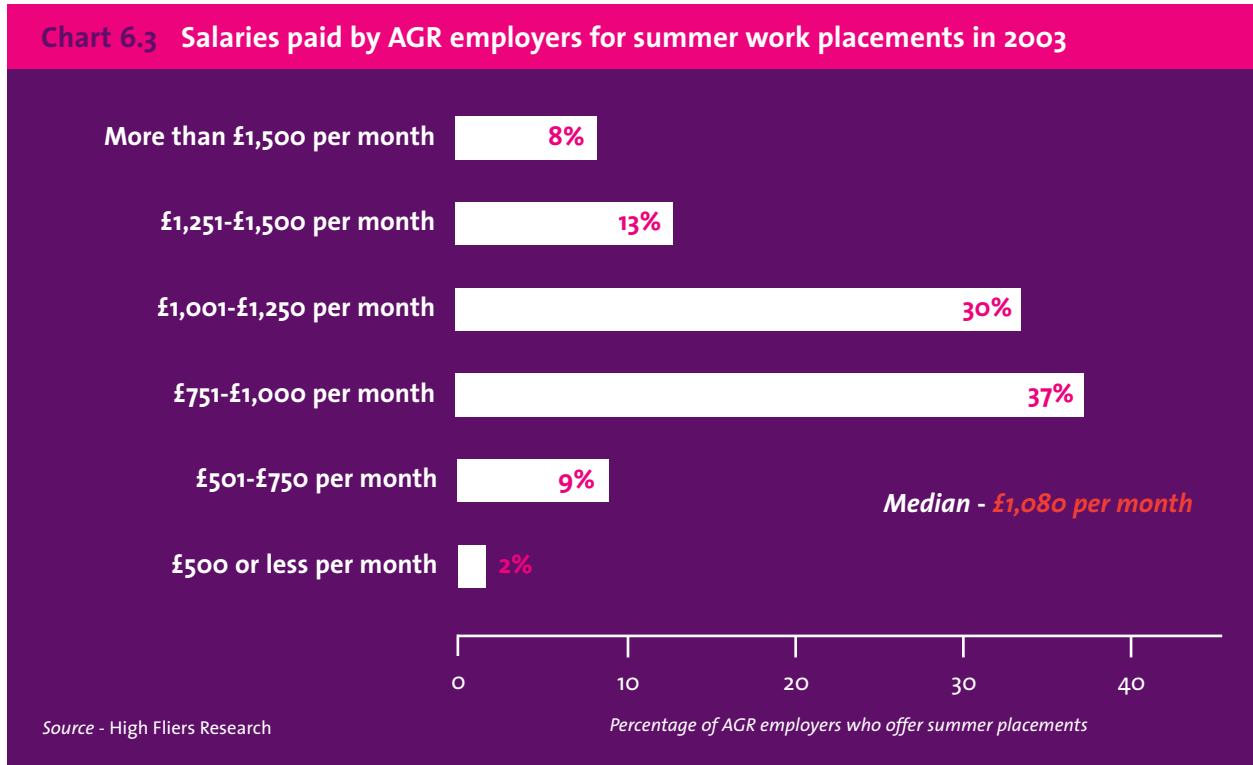


Chart 6.5 How work placement students are treated during the graduate selection process

