Changing employer practices in graduate recruitment: implications for career development

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A major study of the changing graduate recruitment practices of UK employers, was conducted during 2014 by the Institute for Employment Studies (IES) and the Higher Education Careers Services Unit (HECSU) for the Department for Business, Innovation and Skills (BIS). It involved in-depth interviews with 76 employers (diverse by size and sector) and 30 'stakeholders' in graduate employment, including university careers services. The qualitative data were complemented by analysis of existing quantitative data on graduate employment and a wide ranging literature review. This article reports on selected findings relevant to career development professionals, including: the challenges for employers of attracting appropriate applicants; employers' generic skill needs and views on employability; the changing reasons and criteria for targeting specific higher education (HE) institutions; and employers' increasingly strategic use of work experience in graduate recruitment.

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Introduction

This article draws on the findings of a large-scale study of the approach to graduate recruitment adopted by employers in the UK and how this has evolved in recent years (Pollard et al, 2015).

The topics covered in the interviews with employers and stakeholders included changing employer demand for graduates; recruitment and selection methods and why they are adopted; the interactions between graduate employers and universities; the role of work experience in recruitment and issues of diversity and social mobility in recruitment, which are of strong interest to BIS. By 'recruitment' we mean the activities that generate of a pool of applicants, as opposed to 'selection' from within this applicant pool. The interviews were transcribed and analysed, using a computer-based tool to identify themes.

In this article we focus on some of the themes from the research, examined mostly from the employer perspective. First we summarise some general features of the employer experience of graduate recruitment and then look at three specific issues: employability skills, university targeting, and work experience. The article finishes with a summary of action areas suggested by the research.

Attracting the right volume and type of applicants

At the time of the interviews in 2014, most of the employers in this study were hoping to increase their recruitment after a long period of economic difficulty and constrained graduate recruitment. The study focused on employers looking specifically for individuals with first or higher degrees (or currently studying for these), coming into their first 'real job'. Although there were plenty of graduates seeking work, the employers interviewed felt that attracting the right volume and type of applicants for their business needs was their single biggest challenge.

EMPLOYERS DESCRIBED THREE TYPICAL SCENARIOS, SOMETIMES EXPERIENCED IN
COMBINATION IN DIFFERENT PARTS OF THEIR BUSINESS:

- **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 were often consciously balancing their recruitment of fresh graduates with graduates with a few years of experience and also those with much more experience. In addition, quite a lot of the employers in this study were increasingly interested in recruiting able young people, especially as apprentices, who are choosing not to go to university. Just as labour market trends show a blurring of the jobs occupied by graduates and non-graduates, so employers seemed to perceive a blurring of the skills, attitudes and potential available in graduate and non-graduate recruits.

Some employers were recruiting into graduate entry or training schemes, but these did not necessarily offer more extensive training or varied career experience than recruitment into a specific job vacancy. However entry schemes were often much more visible to applicants than specific job vacancies, partly because a number of vacancies were filled through a high profile recruitment campaign. Much recruitment activity has moved online which has certainly opened up opportunities for all students. However advertising vacancies online did not necessarily help employers target the specific kinds of students they were looking for.

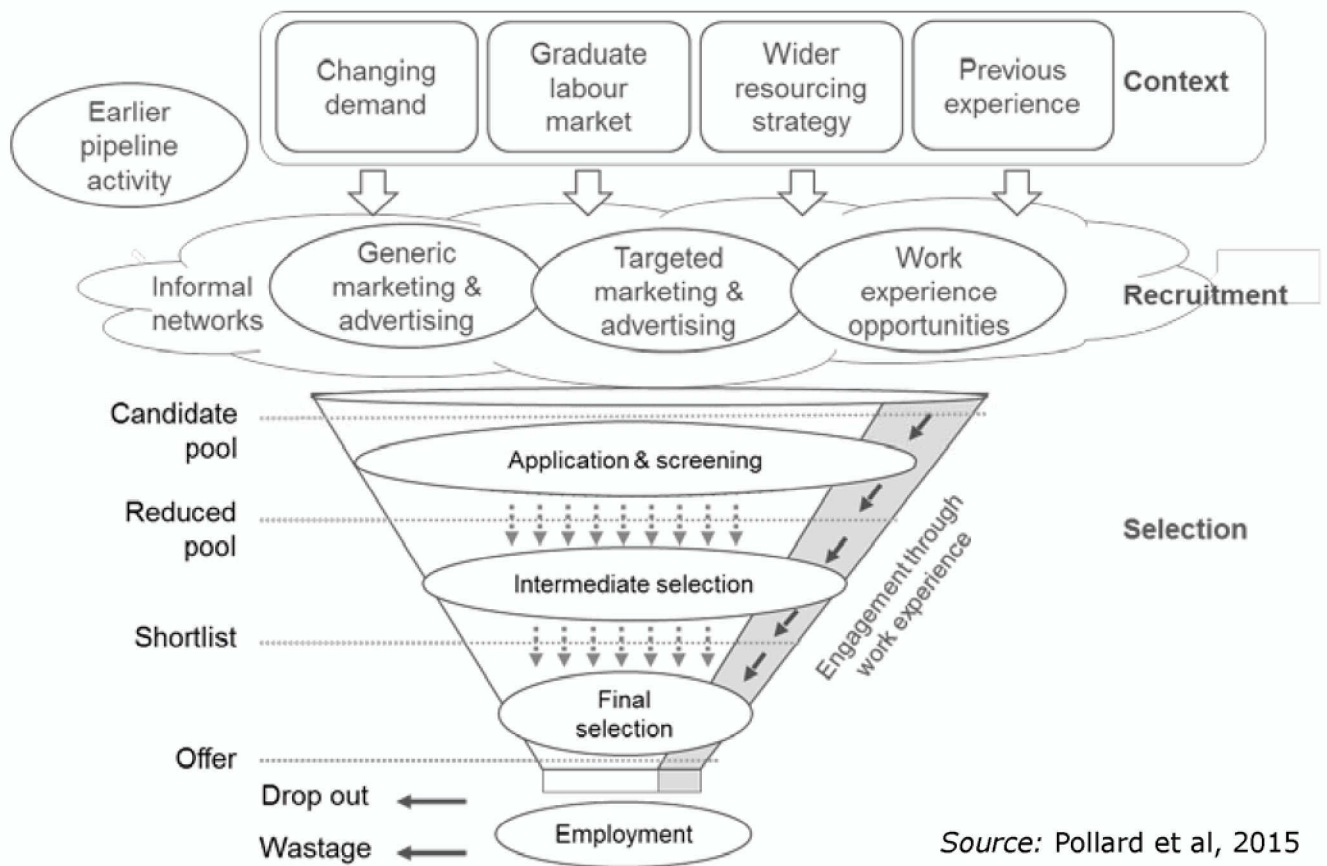Employers were adopting other strategies to reach appropriate applicants. These included:

- Engaging directly with selected (or targeted) higher education institutions.

- Earlier recruitment and selection for employment, especially at the start of the final year of study, to get ahead other recruiters. A few recruited even in first or second years.

- Using work experience to build relationships with students, especially in their first or second years of study.

- Using social media to target specific types of applicants and keep in touch with them.

- Involving graduate employees who have joined in recent years and/or students who have undertaken work experience as ambassadors for the organisation, for example in university visits or at selection events.

The graduate recruitment and selection funnel

Graduate recruitment, with its multiple selection stages and several routes for attracting applicants, can be pictured as a funnel, as on the diagram below. The most difficult parts of the funnel for employers were getting the right applicants into the candidate pool, as we have seen above, but also the early application and screening stages prior to final selection. It is now often only at the final selection stage that the employer meets applicants face-to-face. As we will describe later, the right hand side of the funnel shows work experience not just as bringing in relevant candidates, but as a selection process, too.

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Figure 1. Graduate recruitment and selection funnel

Earlier pipeline activity

Changing demand | Graduate labour market | Wider resourcing strategy | Previous experience | **Context**

Informal networks | Generic marketing & advertising | Targeted marketing & advertising | Work experience opportunities | **Recruitment**

Candidate pool — Application & screening

Reduced pool — Intermediate selection

Shortlist — Final selection

Selection

Engagement through work experience

Offer

Drop out ←

Wastage ← Employment

Source: Pollard et al, 2015

Generic and employability skills really do make a difference

Some employers needed graduates with specific knowledge and skills taught only in higher education or who needed a degree to access professional membership. Most did not really differentiate between first and higher degree graduates, except in scientific research and some professions. Most employers in this study did expect graduates to fuel medium term professional and managerial 'talent pipelines', even if they recruited into specific job vacancies.

Whether or not subject-specific knowledge was required, all the employers in this study were looking for a similar set of generic skills and abilities.

Fundamentally, employers sought to recruit graduates because of their perceived intellectual/analytical abilities, their ability to learn quickly, and to bring fresh ideas. These generic cognitive abilities are central to

what employers expect from graduates, but they also sought other generic skills and, in particular, positive attitudes to work.

WHAT DID EMPLOYERS MOST OFTEN LOOK FOR IN THEIR GRADUATE RECRUITS?

- Intellectual ability, including the ability to solve problems and to learn quickly.
- Communication and people skills.
- Positive work and commercial attitudes, including an understanding of, and interest in their particular business. This seemed especially important to small firms.
- Flexibility and resilience 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. Employers were not very interested in getting more

educational performance information (for example through the Higher Education Achievement Report or HEAR) unless it addressed the skills they were seeking and was available from all universities. Many employers expected to invest considerably in training the graduates they recruited, but this made it even more important to select recruits who would 'fit' the business and be keen to learn.

Although mostly satisfied with the graduates they had hired, many of the employers in this study had serious concerns about the quality of applicants they encountered 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 skills (including researching work opportunities, and how students present themselves in applications and interviews). Some employers observed that students in some universities were much better prepared for job search, application and selection than others. This is clearly a way in which an institution can improve the work prospects for their own students.

Employability in terms of this broad set of generic skills, attitudes and the ability to interact effectively with employers also seems to impact on demand. Some employers had left vacancies unfilled for prestigious entry schemes in 2014, even though they had many thousands of applicants, because too few passed their appropriately stringent selection processes. On the other hand, positive experiences of graduates performing well in the workplace, or of the contribution made by placement students or interns, had often led employers – including small firms – to create new positions and so increase graduate demand.

'Targeting' selected universities: horses for courses

As online recruitment processes have become the norm, targeting particular universities or departments no longer means that employers only attract applicants from a small number of institutions, or use such a list in shortlisting. However, most large employers in the study had direct contact with at least some universities in order to: attract suitable candidates (including for work experience); raise their profile as a graduate employer; project their 'employer brand' and engage with students directly. Targeted institutions often accounted for a significant proportion of both applicants and selected graduate entrants. Even large employers did not have the resources to visit all institutions and so invested time and effort in those they assessed most likely to result in successful recruitment outcomes.

> 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, location, previous positive recruitment outcomes and more diverse student populations. Individual employers often selected a basket of institutions reflecting several of these factors. Between them, the employers in this study targeted a large number and wide range of institutions in many locations and with very varied student populations.

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. Other small employers, especially in high tech or science-based industries, formed close links with a small number of institutions – sometimes internationally – at departmental level or with key individuals within faculties or schools.

Work experience as an important component of recruitment strategy

Work experience was of high and growing interest to employers of all sizes and for a range of reasons, including: skill and attitude development; the chance to make earlier relationships with potential recruits; 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 that work experience 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 personal maturity and 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, including voluntary work and other activities taken on at university.

Work experience as defined in the research study included 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. Terminology is not standardised, so for example summer placements were sometimes referred to as internships. Entry to work experience opportunities was often through rigorous selection processes, similar to those used for permanent graduate hiring. So those completing a period of work experience had often had a modified selection process if they wished to join the organisation in a more permanent role and the employer wanted to encourage them to do so. 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.

Although work experience early in HE study clearly has great advantages for both students and employers, it works best for students who know what they want to do rather early. Too heavy a focus on this route into employment will disadvantage students who make later career decisions and may cause employers to miss out on some excellent candidates who develop both their skills and their ideas about work later on in their studies or who wish to start exploring work options after graduation. There are also risks for students whose social networks or universities do not alert them to the possible importance of early employer contact in some sectors or occupations; or who have to maximise their ability to earn money in university vacations. Internships after graduation provided additional opportunities but were perhaps

less strategically used by employers and less structured than placement schemes during study.

Implications for action

The study highlighted a range of themes, only some of which are covered in this article. Action areas were identified for the different players in graduate recruitment: employers, students, universities and policy-makers. The implications for the first three of these groups are shown in summary form on the table below and can be seen more fully along with implications for policy-makers in the research report (Pollard et al, 2015).

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 need to be understood by students and universities and 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 perceived 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 also to be manageable for the business.

- 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.

Figure 2. Summary of implications for action

Action by Employers	Action by Students	Action by Universities
Understanding entry routes and the transition into work		
Explaining entry options and helping applicants to find the type of entry that may suit them best. Supporting graduate recruits on entry and developing the potential of those who do not enter via structured schemes or programmes.	Developing search strategies beyond high profile entry schemes. Understanding how to progress their skills and career once at work.	Helping students understand the full range of labour market options and identify types of entry route that may suit them best.
Generic and employability skills		
Articulating the holistic nature of their requirements and which generic skills and attitudes they value most highly. Supporting interview and test practice and giving more informative feedback to unsuccessful applicants.	Becoming fully aware of the importance of inter-personal skills and positive attitudes to work. Developing effective approaches to job search and presenting themselves to employers.	Further strengthening active development of generic skills and employability within the curriculum. Sustaining effective career development support.
Work experience		
Developing structured opportunities for work experience after graduation as well as during study. More small firms might benefit from intermediaries who work with universities and companies to facilitate work experience.	Understanding strategies for seeking work experience during study or on graduation, especially if taking later decisions about work. Appreciating employers' continuing interest in wider life and university experiences.	Alerting students to opportunities for work experience during study, integrated into courses where appropriate. Increasing work experience opportunities through collaboration between universities, and with employer bodies and intermediaries.
Attracting the right applicants and engaging with selected universities		
Extending promotion of STEM subjects in schools to involve more small employers. Considering a range of criteria in deciding which institutions/ courses to target for graduate recruitment and where to form closer links. Engaging students in useful career learning while visiting universities.	Focusing on those employers likely to be interested in them. Making effective use of employer visits or interventions at their institution.	Forming positive, multi-level partnerships with employing organisations well suited to their students. Advising and helping employers to reach students e.g. through clear contact points for small firms and into departments.
Fair and objective screening and shortlisting		
Evaluating screening and shortlisting processes to establish the most appropriate criteria and methods. Being aware that screening on class of degree or A level grades may not be a reliable indicator of quality.	Researching the employer and their selection process, especially any tests used in early stages of selection. Working on higher level numeracy and literacy skills.	Working with students on the early stages of the selection process, especially improving written English and numeracy. Informing students about changing selection practices.
Social mobility		
Understanding how approaches to graduate recruitment, including entry routes, sponsorship, targeting institutions and selection for work experience; can influence the social mix of recruits. Considering the business case for social mobility within wider diversity agendas.	Developing the ability to resist stereotyping of work choices based on background or other factors. Developing a realistic understanding of their own interests and abilities.	Strengthening employability skills of all students, and access to employers, especially through work experience. Using alumni to support students from varied backgrounds.

Articles

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