

The Graduate Recruitment Market: An Insight

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A Note From Our Executive

The Step brand is now 34 years old and I personally have been involved with the brand for over five years. We have come a long way from the original 8-12 week undergraduate summer placement programme set up by Shell in 1984. But not so far that we have forgotten what is important to us, which is quite simply to bring graduates and businesses together through meaningful internships, exciting sandwich placements and graduate jobs with real prospects. Add on to this, with our diversity focused programmes, we feel that we offer a real alternative to young people from all backgrounds.

In the words of Victor Kiam of Remington Products, "I liked the [brand] so much, I bought the company", so to celebrate Step Recruitment's first birthday, this is our gift to you.

Step has been asking visitors to our website for their opinion about the graduate recruitment market and the results offer insight in to the expectations and optimism (or even pessimism) towards the rapidly changing landscape which they are about to join. We found that over half (55%) of applicants expect to spend over an hour on every job application and they (rather pessimistically) expect it to take up to 6 months to find their first graduate role. The story for small businesses is encouraging.

Only two fifths (42%) of applicants believe they will be better off with a larger employer meaning that there are almost 60% of graduates who recognise the opportunities presented by the abundance of innovative smaller growing business in Britain today. And progression (not salary) is the most important factor for almost half of those we surveyed.

Our research shows that graduates enter the job market all year around, different times of the year will present their own challenges. But for the smaller more reactive business, you can be confident that when you're ready to hire, there will be a graduate ready for you. There is no need to stick to a rigid cycle of recruitment onto a formal graduate scheme. As long as you have an eye on the future and give some thought to succession planning, the graduate you invest in will want to stay with you. They want to be challenged and they want to contribute to the ongoing success of your business.



Tamsin Millns, LLB
Owner and Director

A handwritten signature of Tamsin in a cursive script.

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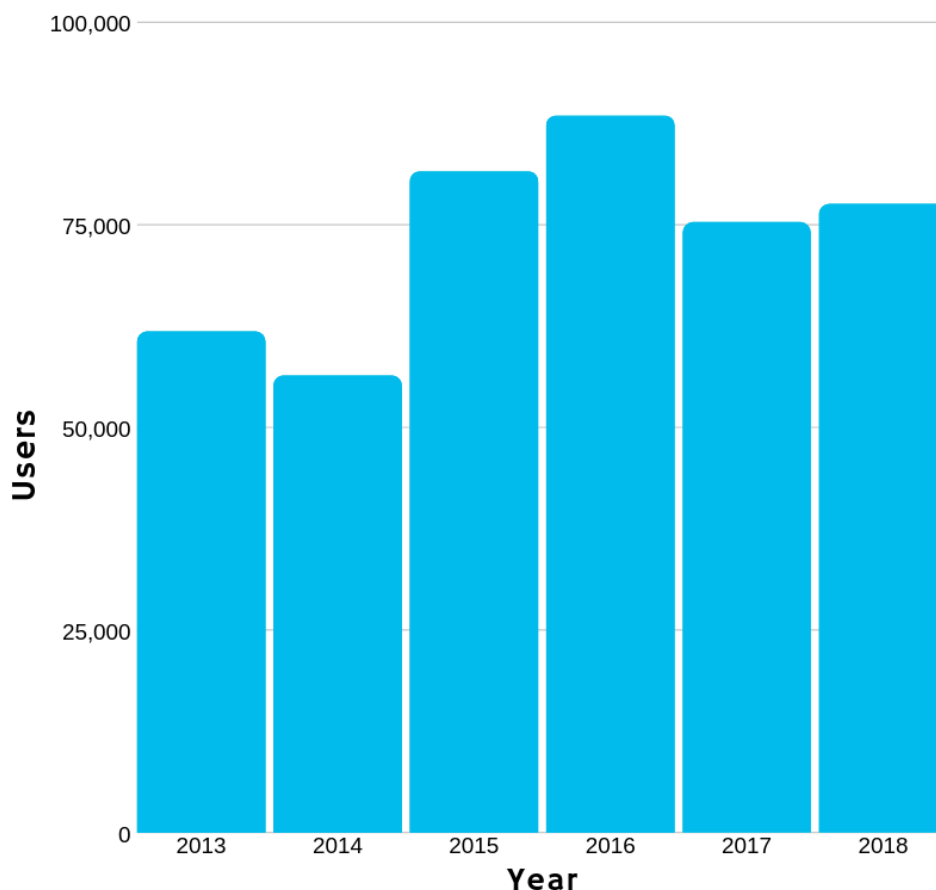
Our Data

Over the course of three years, we have regularly been polling visitors to our website over their thoughts on the student and graduate job market as well as their thoughts on their careers and prospective employers.

These anonymous polls provide an indication of graduate trends across a five-year period. This supports what we at Step have come to conclude from 30+ years and many thousands of conversations with graduates, undergraduates, universities and employers across the UK.

Our Audience

Over the past five years, Step.org.uk has been visited by more than 400,000 unique student and graduate job seekers.



Students register with Step whilst they are studying as we support them to find undergraduate placements and their first graduate jobs. In addition to those who register whilst they are studying, we attract recent graduates to immediate programmes and roles.



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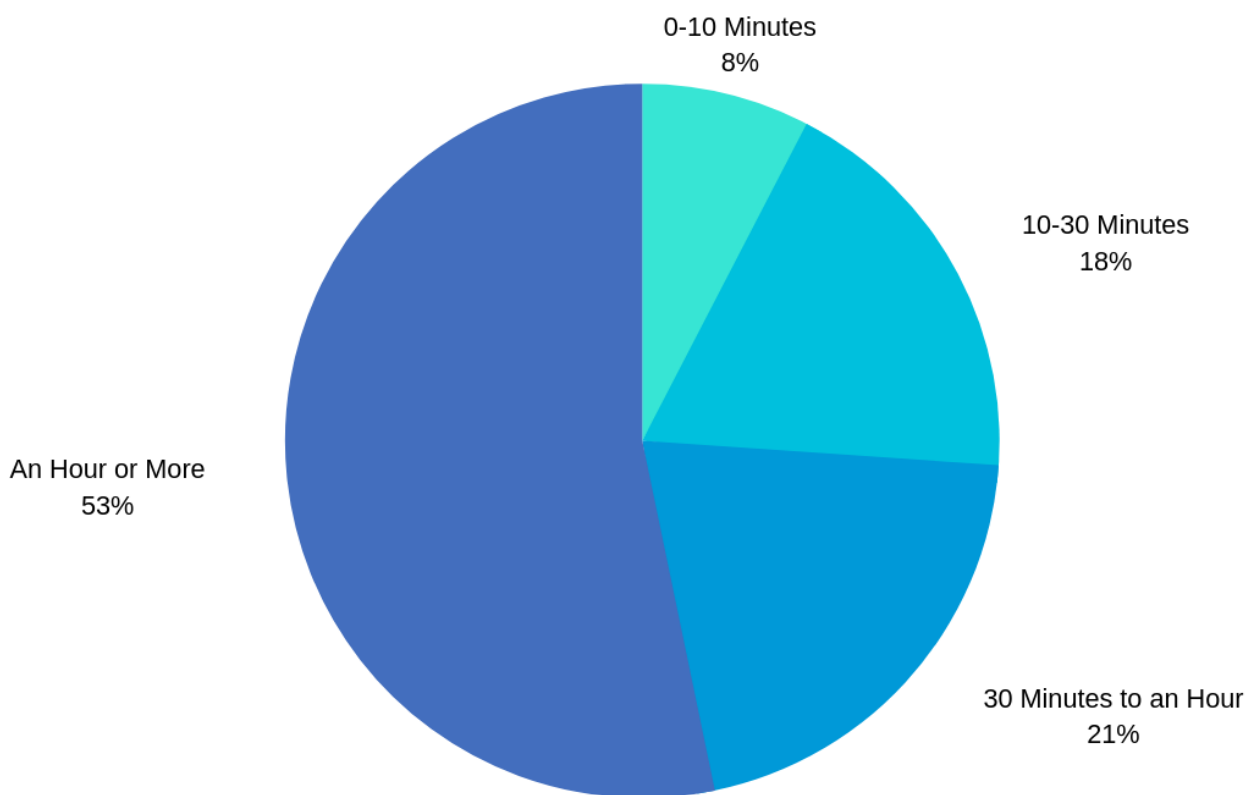
Graduates

The Search for a Graduate Job

Time

Time is often a concern for students approaching graduation. Balancing exams preparation, coursework and a search for a job can be a daunting task. But how long is each application taking?

How long would you expect to spend on a job application?



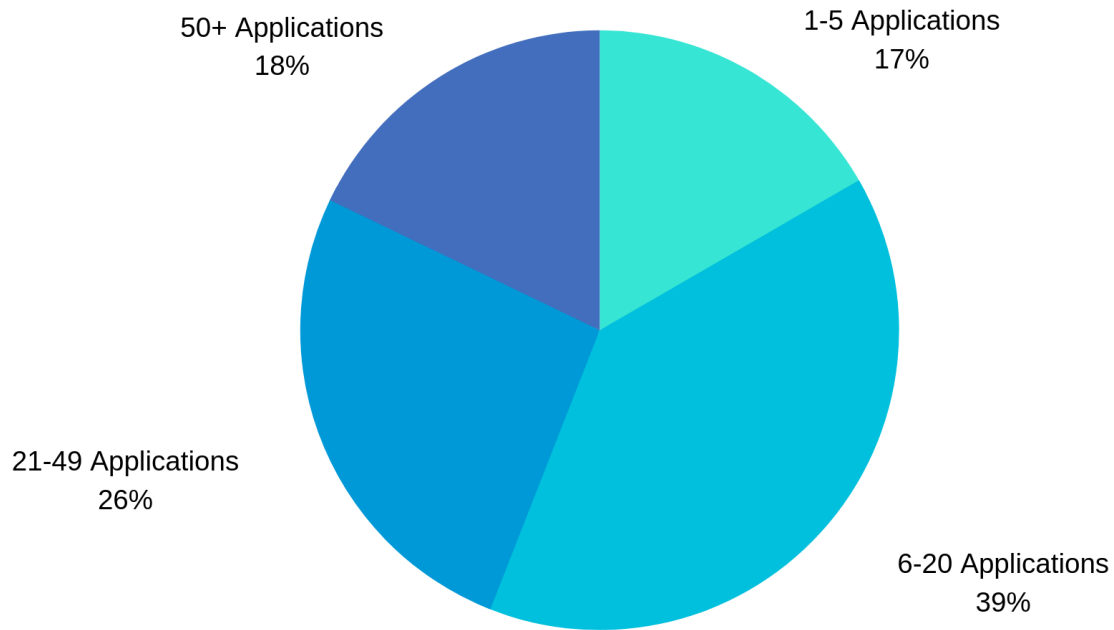
According to the above poll, 53% of polled candidates suggested that they expected a job application to take them an hour or more. This indicates that there is a lot of work that goes into

a job application for a student or graduate, it's not as simple as sending off a CV. Tailoring a covering letter and CV, which is encouraged, takes time.



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How many applications do you expect to submit before securing a position?

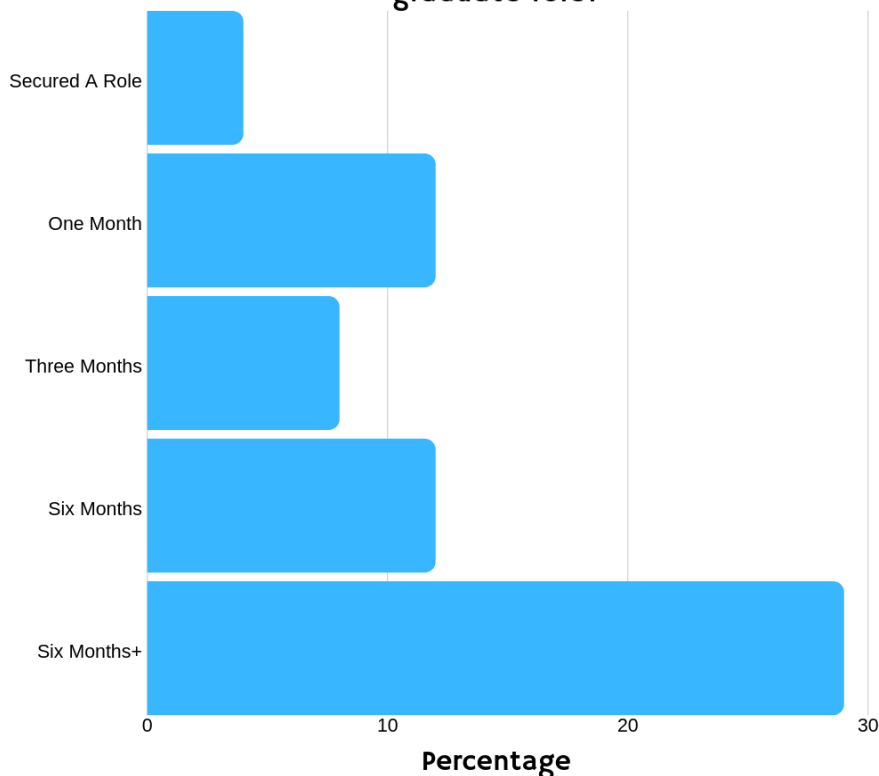


Here, 39% of responders suggested that they would have to submit between 6-20 applications before securing a position. 18% of candidates thought they would have to submit 50 or more applications before securing a job and at 1 hour a piece, that can be a daunting and for many a discouraging experience.

In terms of length of time to find a role, 45% of graduates expected it to take them 6 months or

more to find a graduate role. This poll was taken at the end of the exam period, with many students turning their attention to their search for a graduate role. A common expectation that we hear from employers is that all graduates have their careers lined up well in advance of the summer, but from our experiences, this is most definitely not the case. Six months or more is quite a pessimistic outlook with many graduates expecting to struggle to find a role.

How long do you expect it will take to secure a graduate role?





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Clearly, there is a big level of commitment and time spent on a graduate job search and this can be particularly challenging when split with study and, for many, part-time work as well.

The final year is a very stressful time and it's understandable why some graduates choose to leave their search for a job until after they complete their exams. While some businesses do try and hire their graduates in the Autumn term, waiting until June doesn't mean that you won't be able to find talented graduates. Perhaps instead you'll be met with a batch of more cautious graduates who wanted to ensure that they came out with the level of degree that they were expecting.

To save time, some graduates choose to take a scatter-gun approach to their applications, applying for many things, without tailoring their applications.

It's easy to call this approach naïve, or even lazy, and dismiss these applications out of hand. In comparison to other applicants that have taken more time, these applications often don't stand up. However, some leeway should be given when there are clearly time constraints and other pressures which prevent someone spending a full hour on an application. This is especially true for roles in which quality candidates might be scarce. You should also consider that not all candidates have experience with creating a tailored CV or at expressing their skills in a cover letter.

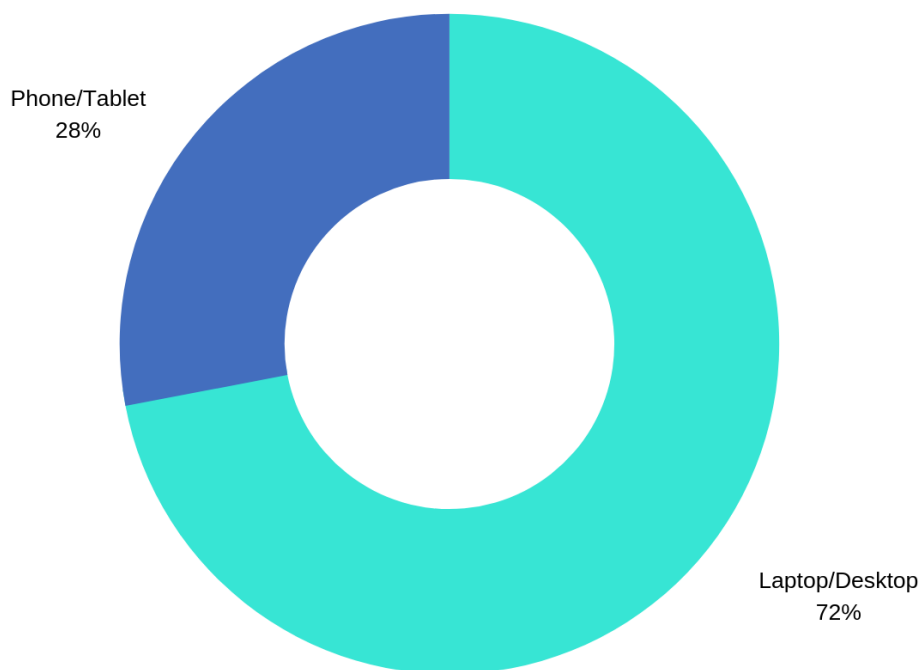
When interviews are factored in the time constraints increase, particularly where some employers require a two-stage interview process, half-day or whole day assessment centres, or include psychometric tests as part of the process.

While we encourage candidates to pick and choose what they apply for, many will want to leave their hat in the ring for roles that they feel capable of, but which they don't feel as passionate towards. We would never advise that you dismiss these candidates out of hand, especially if your pool of candidates isn't big to begin with. Our approach focusses on giving graduates the time to review the job description, allowing them to come back to us more prepared for a chat about the role. This can sometimes result in candidates discovering, upon researching the role or company in further depth, a passion they hadn't previously recognised.

When each role gets dozens of applications, ultimately the candidates that spend the time to tailor an application are the ones that will stand out. Apps and other innovations may look to address this, insisting that employers will proactively connect with students and not the other way around, and this may work for some professions where candidates are very sought after or some with companies that struggle to find relevant candidates.

One morning when I was in the carpet van for another 6am start, I came across a voicemail which had been left the day before from Step, telling me about an internship. This came out of the blue to me as I had forgotten I had registered my details with Step! To cut a short story even shorter, in the space of 5 days I had gone from a chance voicemail to an interview, to accepting an offer for a 12-week internship! - Chris, on how he came across his Market Research Internship.

What is your preferred platform to complete a job application?



When asked which platform students prefer to complete an application on, 72% of candidates favoured a laptop or desktop over a phone or tablet.

Our research suggests that most candidates prefer applying on a desktop and not on a mobile app. Apps are fantastic of course for many industries, but they don't work for all. Beware jumping into costly app development (something that is sold very frequently to the recruitment industry) on the premise that just because smartphone use is widely prevalent, this naturally equates to everyone wanting to conduct all their business on a handheld device.

Ultimately, candidates are still going to have to spend the time making a personalised application for each company, for the vast majority of roles, and this tried and tested formula has helped to uncover the truly passionate people.

For example, Step runs an extensive sandwich placement programme on behalf of Puma UK. The Puma programme regularly receives more than 500 applications and narrowing that down to 5 or

6 placements is no easy task. To help determine who is interested in the role and not just the brand (though that is important too) each candidate must complete a short visual and information task. While running the Puma programme over the last five years we've seen some fantastically creative and in-depth pieces, which really helps us to identify talent and find the people that will truly make a difference to the Puma brand. Due to the nature of the roles, we receive multiple applications from the same courses. And when university entry requirements will be the same for all of those students, the CVs are often carbon copies of each other with the same A Levels, grades and university modules completed. The ONLY way to allow candidates to stand out is to give them the opportunity of completing a task because screening according to UCAS points and key words contained in a cover letter simply wouldn't split them.

What Graduates Are Looking For

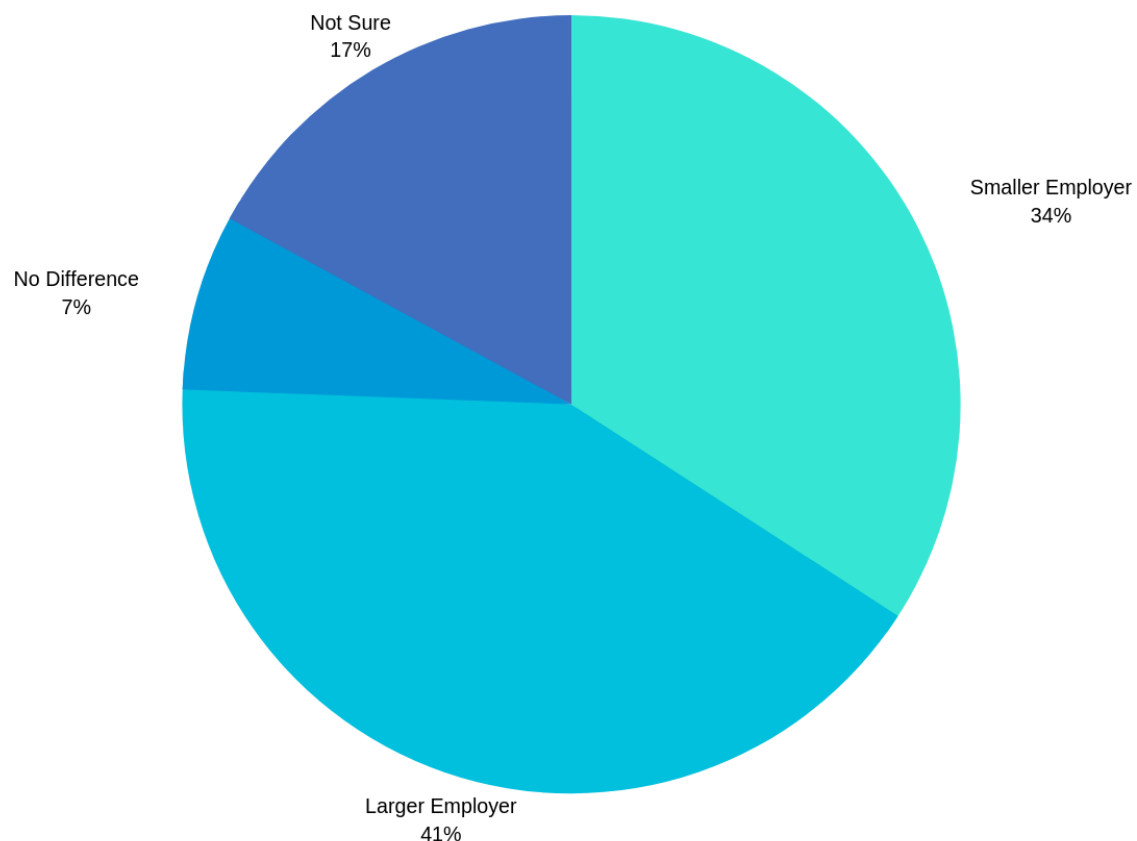
One concern that we sometimes hear from employers regarding graduate recruitment is the feeling that graduates are not committed and quick to look for other opportunities. We strongly believe this is not the case and have many examples of students that have stayed with a company, rising to management and even director level. Of course, some graduates won't

stay for as long as you might hope and that can often be attributed to individual factors beyond the control of the employer. However, there are other contributing factors that might be impacting your graduate retention.

To examine this, we have probed our audience as to what they are looking for from their graduate career.

Multi-national or SME

Do you think your career prospects are better with a larger or smaller employer?



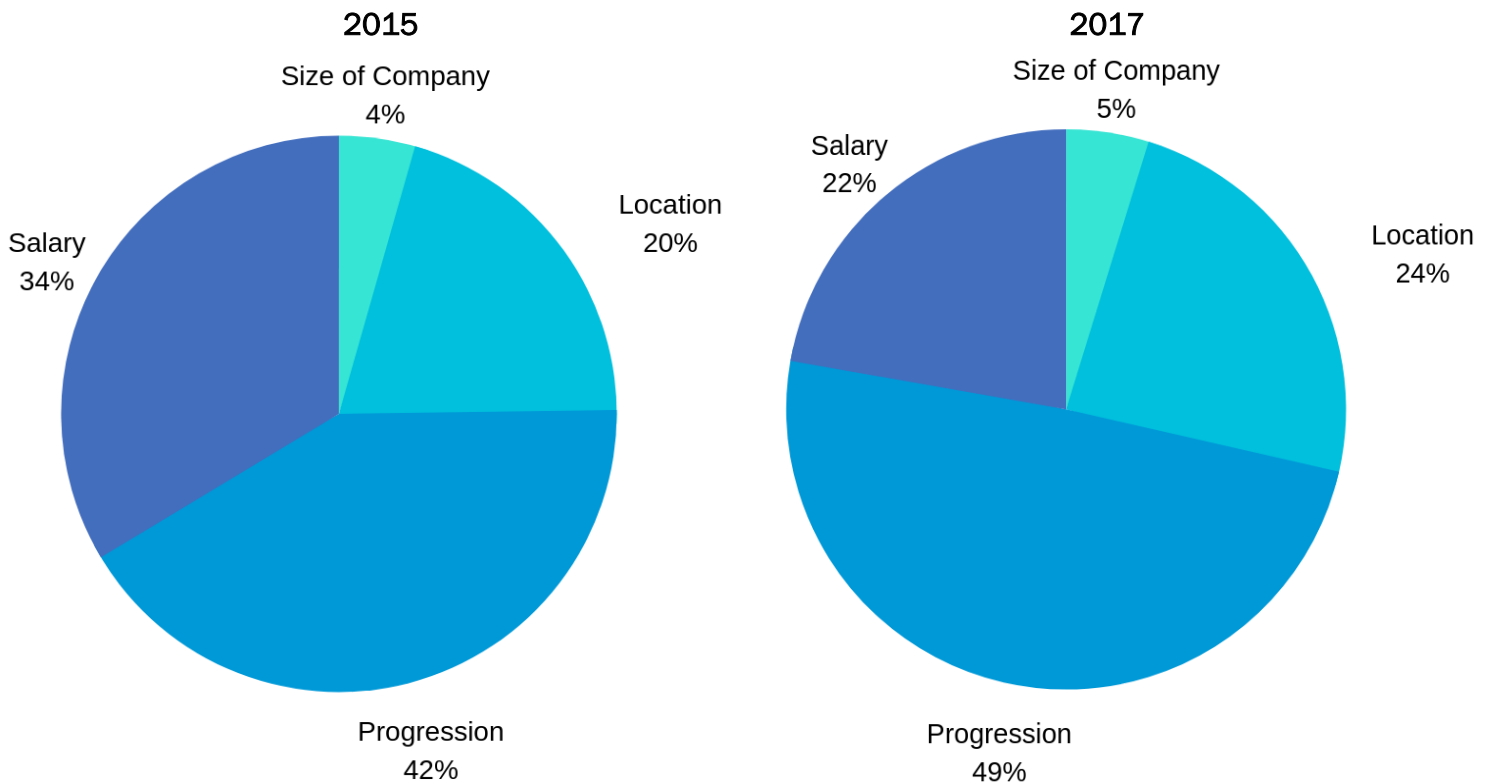
While the above poll suggests that there would be a slight preference for a larger employer, it also demonstrates that graduates aren't put off by smaller businesses. We have spoken to many graduates who specifically seek out smaller

businesses because they want to get hands-on experience in their first role with a high-level of responsibility from the get-go. Here's [an example blog](#) from a former Step intern, who is now heading up a department in a smaller business.

What are graduates looking for from their careers?

What exactly are graduates looking for from their career? It's a complex question and answers can evolve over time, especially with changes in the employment landscape brought about by Brexit and other political developments. We asked the question below two years apart, and the results demonstrate the changes in career goals among our graduate audience.

What is most important to you when looking for a graduate job?



The strongest factor both in 2015 and 2017 was the chance for progression, which further reinforces that graduates are looking for opportunities where they can grow and develop quickly within a company.

This is an area that some smaller businesses are struggling to address: some might not be able to move quickly enough in providing the learning opportunities, others have a strict business process that has worked well for many years or might just not be able to offer the chance for progression within the foreseeable future. All of these factors can be an issue when you're trying to attract ambitious and driven candidates.

If this is the case for your business, perhaps one solution could be to outsource your training. Many councils, chambers of commerce and LEPs around the UK offer free workshops and development courses for smaller businesses and

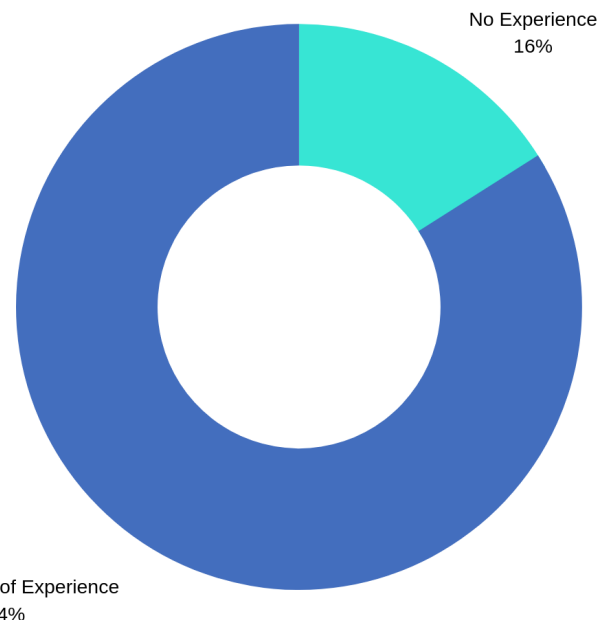
these can be a valuable resource to you. As well as stimulating the learning of your staff, you are also bringing new knowledge to your business that could help you to be more profitable, reach more customers and broaden your market.

The importance of salary dropped between 2015 and 2017 and there was a slight rise in the importance of location. We've increasingly been speaking with candidates, who have suggested that finding housing has been a pressing issue for them. When we ran a recruitment programme on behalf of the House of Commons, one of the questions asked probed what candidates thought were the three biggest issues in British politics. Housing came up substantially more than we expected, suggesting that it is at the forefront of graduate minds. Graduates are now placing less importance on salary and more importance on locations where they can find affordable housing and lower costs of living.

Do graduates need baby-sitting?

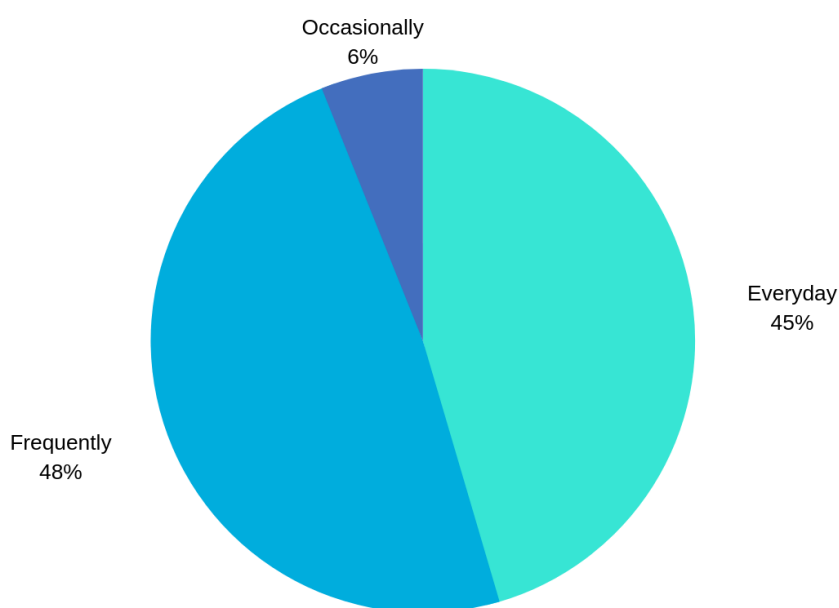
Another common question that we face when talking to employers is the level of support that graduates need, as many feel they cannot devote enough time to teaching and developing a new colleague. However, most graduates have built up experience alongside their studies; for some, it is a placement year or internship during the summer, others have worked part-time throughout university, or have voluntary and society experience, and have developed many transferable skills.

84% of candidates polled had experience of some kind before applying for roles. The majority of graduates starting roles have already developed soft skills like teamwork and communication as well as practical skills from their course.



Are graduates ready to get stuck in?

How frequently do you expect to face challenges in your first graduate job?



"We have many examples of impressive projects being completed by students and graduates but one that springs to mind for me personally is the work that two students completed for a high-profile local council. They completed a very important piece of research, taking part in everything from the collection of the data to compiling the report for presentation to senior managers within the council. The research that they completed directly informed future policy." – Matthew, Senior Account Manager at Step

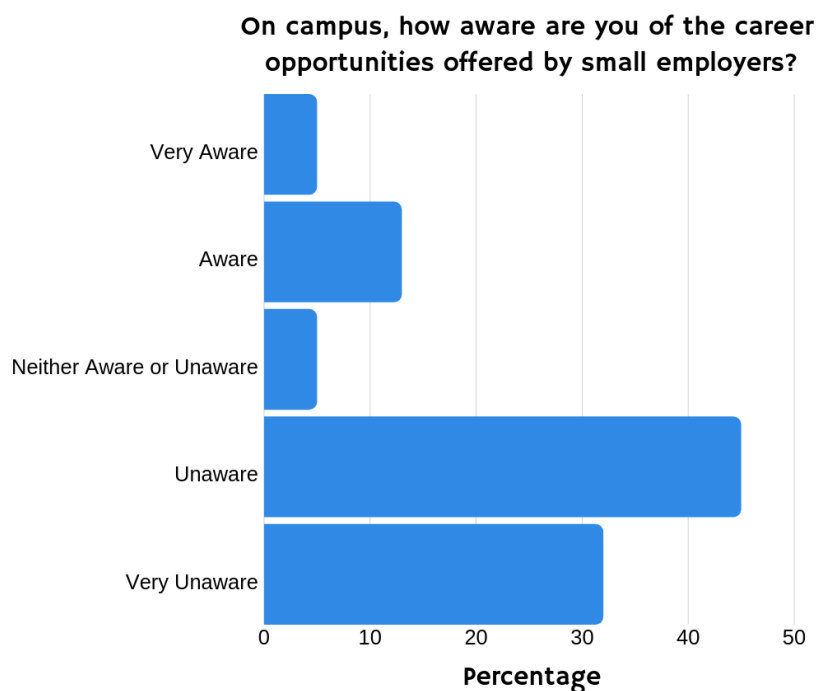
One thing we are certain of is that graduates aren't afraid to get stuck in. As per this poll, over 90% of graduates are expecting to be challenged, frequently or everyday.

Undergraduates

Finding an Employer on Campus

How aware are students of the opportunities offered by smaller businesses?

77% of undergraduates said they were unaware or very unaware of smaller employer opportunities whilst on campus. At a Careers Fair smaller businesses are frequently drowned out by the bigger names, who are able to commit four or five members of staff, and attract students with bigger, brighter stands with video or other expensive technology. These factors make it more difficult for smaller businesses to network with students at fairs. To combat this, perhaps more universities should be offering SME-only fairs alongside their larger fairs.

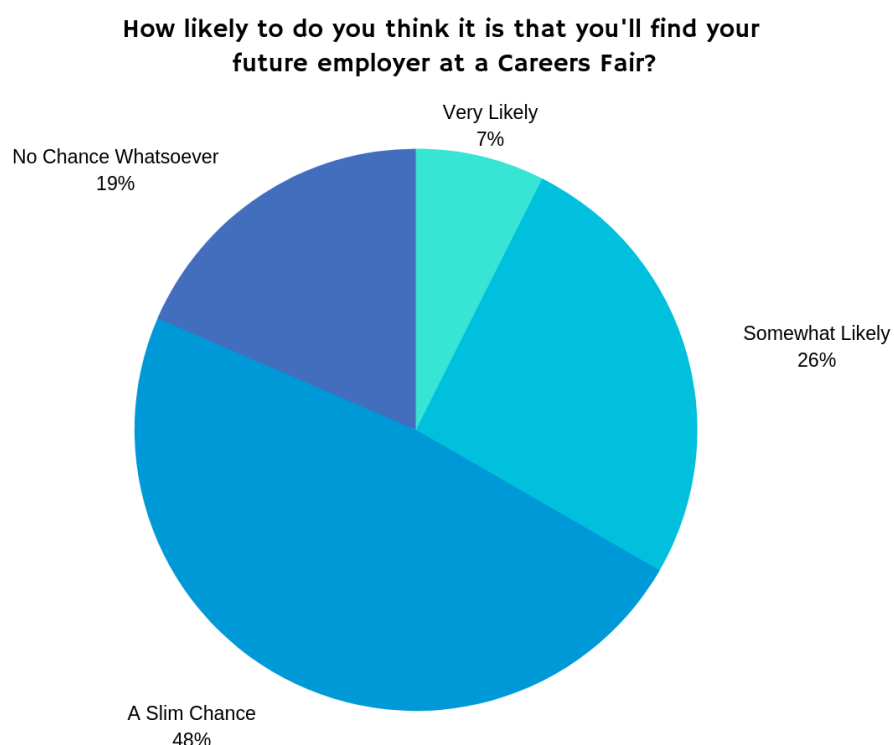


Employers at Careers Fairs

Securing a graduate role early is an ideal situation that allows students to focus on their exams without added pressures. One way in which universities try to facilitate this is by offering career fairs,

which give students a chance to meet and network with employers; these can be general recruitment fairs or sector/course specific. We polled our audience to see how optimistic they were about finding their future employer at a careers fair.

67% of students felt there was a slim chance or no chance that they would find their future employer at a careers fair, though it is fair to say that not all students attend with the specific aim of meeting future employers; some attend for advice, others to network.



This indicates that students aren't finding smaller businesses on campus or at fairs, so Universities need to offer more incentives to attract and involve local and smaller businesses. Smaller Businesses employ the majority of the UK workforce, including many graduates, but smaller businesses often face barriers when connecting

with and attracting fresh graduates. This isn't to disparage all Universities in their efforts to attract smaller businesses on campus; We know many universities do a lot to bring smaller businesses onto campuses for industry events, to deliver career talks and employability support, but more can and needs to be done.

Why aren't SMEs represented in fairs?

Small to medium-sized businesses account for over 99% of businesses in the UK and offer brilliant opportunities, but often lack the resources needed to form direct connections with universities and sometimes experience barriers when they do. Some Universities (for example Manchester Metropolitan, The University of Huddersfield, and Nottingham Trent University) do not charge fees to employers, unlike other institutions with fees ranging from £300 - £1,400. Some universities do offer discounts for SMEs and charities, but this is not always the case. These fees seem arbitrary, as there is no significant difference between fairs that are free and ones that charge. Both provide the same service, often including free lunches, parking and other features.

£1,400 is a substantial expense for a one-day event for small businesses, as well as being a large time commitment for a Manager or Director. This certainly limits how exposed students are to the fantastic opportunities that smaller businesses offer. It seems contradictory that universities host these events with the idea of generating employment opportunities for their students, but make it difficult for smaller businesses to access the events.

Although various larger corporations offer great programmes to students, only a small percentage of graduates will secure these positions.

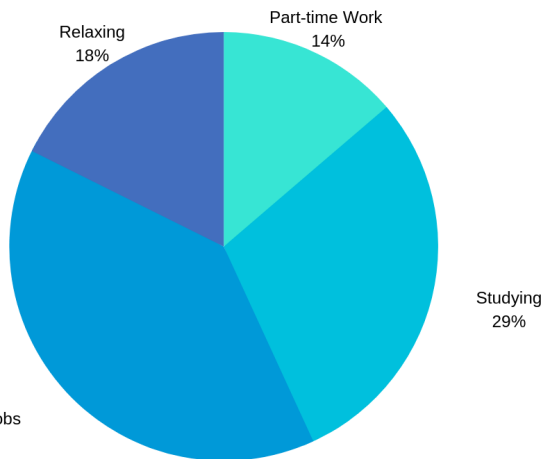
742,730 total Higher Education qualifications were awarded in year 2015/16 (HESA, [Students in Higher Education 2015/16](#)). 61% of new graduates go into employment within the UK after completing their degree (the remaining 39% go onto further study, travel abroad or are unemployed). This means that there are roughly 500,000 newly qualified students and graduates entering the employment market each year. According to a 2017 survey of its employers, the ISE (Institute of Student Employers) – who state they represent the UK's biggest recruiters of student talent - reported that the 200 graduate employers they surveyed recruited 31,630 graduates in 2017. So that means only 6% of new graduates each year will secure a role on a large scheme. Which means that 94% of graduates will be looking to start and develop their careers with smaller, growing, lesser known, innovative companies and programmes. Far from picking up what's left behind after the traditional milkround, real talent is still out there.



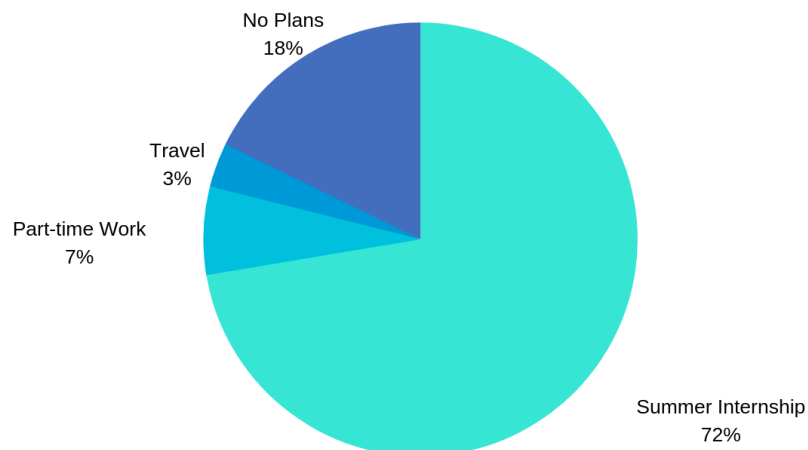
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What do students do with their time off?

What are your plans for the Christmas break?



What are your plans for the summer?



Students are keen to make the most of their free time and many work alongside their studies in part-time roles and during their time off in their Christmas and summer breaks.

When we asked students what their plans were for Christmas, less than 20% stated that they were just 'relaxing'. The majority were either studying (many courses have exams which take place in January), applying for placements or graduate role (some of which will close over the Christmas break) or working in part-time positions.

Equally, during the summer, a huge 72% of students indicated that they were hoping to complete an internship.

This demonstrates that most students are aware of the importance of gaining experience while still at university. It has become an increasingly prevalent issue for the University Careers Teams and we know from our links that much more has been implemented in recent years to make students aware of the importance of employability and developing workplace skills whilst at university. The message is getting through, although not all

students will be successful in securing internships during the summer or winter periods due to their limited availability.

Twelve week internships are not purely CSR initiatives. Internships can be particularly advantageous for smaller businesses. Employers can gain extra support during a busy period, additional input to complete a valuable project, an opportunity to develop new avenues in-house, and build brand-awareness among the student and graduate community to develop a pipeline of talent for graduate positions. We have many [examples of very valuable and profitable projects](#) that have been completed during 12-week internships.

"Everything I have learned so far has been relevant to my course, it will definitely help me when completing my final year. It has also given me more of an understanding of what I would like to do in the future." – Rosie, a Fashion Marketing Student, on completing an industrial placement

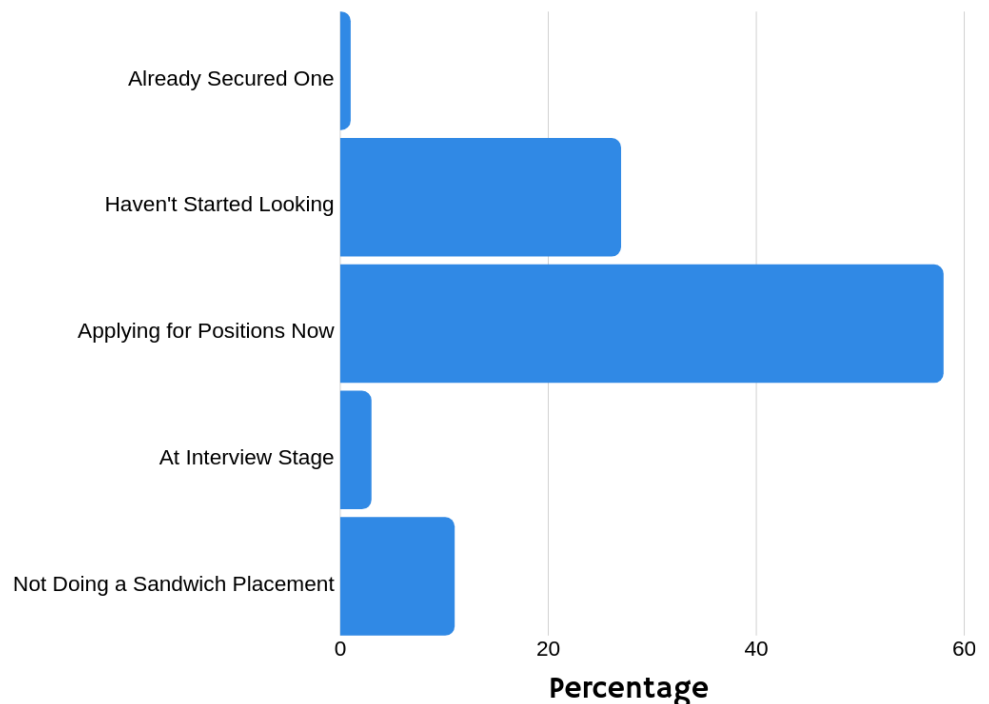
Sandwich Placement Search

In January 2017, when asked to describe the search for a sandwich placement, only 1% of students had already secured a placement, while 58% were currently applying for positions and another 27% had not begun their search.

Many sandwich placement schemes close very early in the academic year – PWC, for example, closes in October. Most universities do not begin their autumn term until October, so placements won't be on the radar at all for many students at this time. The data suggests that a huge number of students *are only just beginning their search* as the spring term begins.

Smaller to medium sized businesses have a great opportunity to take on someone from the large cohort of talented students beginning their placement search in the spring. Introducing a sandwich placement programme is a fantastic

Describe Your Search for a Sandwich Placement



way for businesses to develop their pipeline of talent and gain valuable student input and perspective over a longer time-period. Placements can help with the completion of longer-term projects and provide support without the need to offer a permanent opportunity.

"Handicare are a global company offering a range of products and solutions to help increase the independence of the physically challenged or elderly people. For the last three years they have taken on two sandwich placement students in the engineering research and development team, one from a Mechanical engineering background, the other Electrical. The students work on projects and have been able to gain valuable experience, while giving back a lot in return.

This has been such a success that this year, for the first time, they also took on two placement students to work in their Purchasing / Buying department - the aim being for the students to work on important projects, and to develop a graduate pipeline." – Matthew, Senior Account Manager at Step.



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University Rankings and Awards

When asked how much rankings and awards influenced students' choice of universities, responses were fairly split down the middle with half being largely influenced by rankings and awards and the other half being somewhat or not at all influenced.

Clearly rankings and awards do influence some student's choice of university, but university league tables can be vastly different from one to the next, as each assigns more value to certain factors. Some focus on employability statistics, others on student satisfaction.

Over time, university rankings have also changed drastically. For example, in 2014, Nottingham Trent University ranked 73rd on the Guardian League Tables but has risen fifty-seven places to 16th in 2018, due to rises in satisfaction with teaching standards and the percentage of their graduates securing graduate-level jobs or going onto further study at professional or HE levels, six months after graduation.

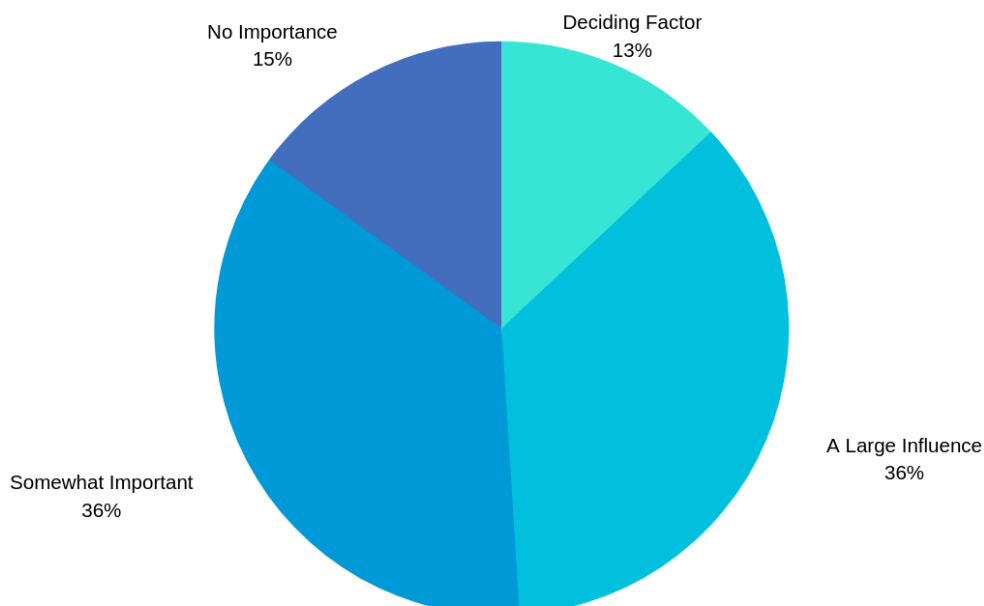
In 2017, the government introduced a new system aligned with the Department for Education (DfE). The Teaching Excellence Framework (TEF)

system assigns universities with gold, silver or bronze awards, and focuses on standards of teaching, the academic support given to students and the progression to employment after graduation. The TEF results showed another interpretation of universities: The University of Derby was awarded a gold award, whilst the University of Liverpool was assigned a bronze award in 2017 but has since managed to increase its rating to silver in 2018.

We've spoken to many employers over the past 30 years, who have stipulated that they only want students from "good" universities, or from the "top 10" but what this demonstrates is that it is almost impossible to assign value to a institutions. This doesn't even consider that they can rank differently for different courses. A university that ranks in the top 10 overall in any specific table, may not even rank in the top 50 for a specific subject. Variations of that scale are very common, especially as some universities specialise in certain subject areas.

Students and employers still put weight on the league tables, but they shouldn't be the only determining factor of where to attend, nor who to hire. Tables change drastically from year to year and being open to the university that you hire from is only going to expose you to a far more diverse range of talent that could be influential in your business.

How much did rankings and awards influence your choice of university?



Get In Touch

We would love to hear your thoughts. Tweet us @stepplacements, find us on Facebook @steprecruitment or visit our LinkedIn Page, Step Recruitment



Employers, if you need any support finding students and graduates for your business, please get in touch at employers@step.org.uk or call us for an informal consultation on 0115 871 8740



If you work for a university and would like to find out more about how we can support you with helping and guiding your students, we are here to help

As a student or graduate, learn more about our placements, jobs and programmes at www.step.org.uk

