

Graduate Employer Priorities 2023 Report





Today's recruitment priorities: how are employers handling graduate recruitment in the next twelve months?

Executive summary – Five key findings

1. Almost half (47%) of organisations that employ students and graduates say that they intend to increase the amount of hires they make in the next 12 months...
... while an additional 50% will maintain their current level of employment. This means just 3% are reducing their hiring levels.
2. Equality, Diversity and Inclusion is top of mind for the vast majority of employers. 97% of graduate employers told us that they see recruiting a diverse workforce as a top priority over the next year.
3. Strengthening relationships with university Careers Services teams is becoming more important...
... and 65% of employers say that this is a high priority in the year ahead.
4. 45% of employers report that they are now opting for more continuous recruitment processes...
... as opposed to more sporadic engagement or the 'milkround'. Rather than engaging with students at the end of their studies, employers are now looking to make earlier connections.
5. Most employers (59%) think graduate candidates have been prevented from gaining as much job experience and skills due to Covid...
... and 68% believe this impact on graduate candidate soft skills is more likely to impact on candidates from marginalised backgrounds.

“Strengthening relationships with university Careers Services teams is becoming more important..”

Introduction

In January 2022, Handshake and the Institute of Student Employers (ISE) teamed up with Wonkhe and AGCAS to imagine what graduate recruitment might look like in 2032. The group spoke to employers, university Careers Services and students to look at the issues, challenges and opportunities in the next decade – and uncovered a willingness to collaborate and share best practice, and to harness technology in order to fuel a fairer jobs market.

However, while many graduate employers are looking at what the next ten years holds, many more are focusing on immediate priorities – still working hard to recover from Covid-related challenges and build back after a particularly difficult period. With this in mind, we went back to our employer base, this time asking them about their priorities for the next twelve months – what are their challenges right now, and what opportunities do they have to improve outcomes immediately?

The good news is that we found an engaged group of employers who are keen to increase graduate recruitment after a tough time where many had to scale back hiring activities. They're now able to look ahead and concentrate on fuelling a sustainable talent pipeline for the long term.

Graduate employers are also aware that a post-pandemic world is a competitive one. They know that they must work hard to attract, and importantly, retain great candidates. And top of mind here is the growing desire for new graduates to work for companies who are seen to be 'doing good': playing the role of a good corporate citizen. For today's students and recent graduates, working for a company who cares is their top priority and companies are keen to reflect this, showing prospective employees that they take Corporate Social Responsibility seriously.

So how can employers thrive in this competitive post-Covid landscape? In this new report, we give practical guidance to employers for the year ahead – importantly, demonstrating how they can harness technology to fulfil their recruitment ambitions. And, of course, the conversation doesn't stop here. Handshake and the ISE are keen to gather feedback and opinion from the market – sharing experiences and best practice in order to create a blueprint for graduate recruitment success. We know that this is an ongoing conversation, particularly in a rapidly changing and evolving market.

Stephen Isherwood, Chief Executive, the ISE



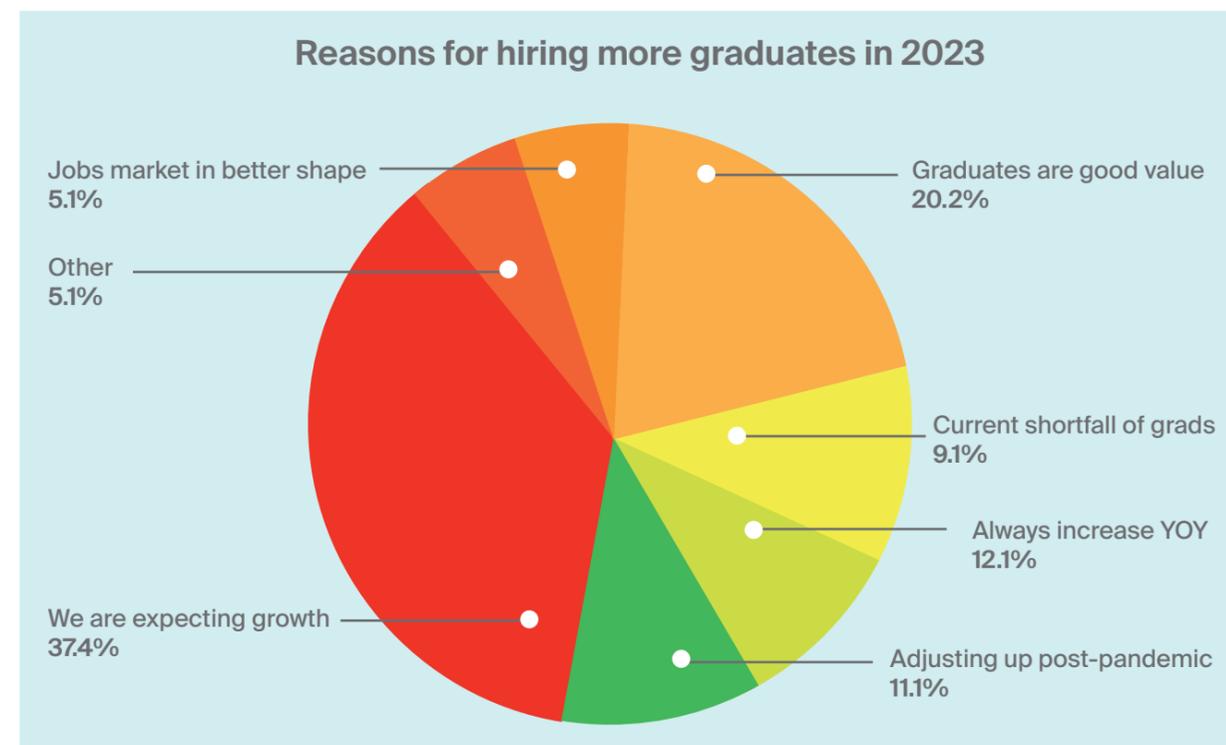
Findings

1. Almost half of graduate employers will increase the number of hires they make

Students, graduates and the companies that employ them faced huge challenges during the pandemic. Many roles or schemes were reduced in scope or shelved altogether as organisations reckoned with the immediate threat posed by the pandemic. And where students and graduates were able to find roles or internships, their impact could potentially be diminished by the inability to work in-person and absorb knowledge and expertise from colleagues.

But for all the negatives of the past two years, the current landscape – as of June 2022 – looks very promising. Almost half (47%) of organisations that employ students and graduates say that they intend to increase the amount of hires they make in the next 12 months, while an additional 50% will maintain their current level of employment. This means just 3% are reducing their hiring levels.

While some of the growth in hiring is down to pent-up demand as a legacy of pandemic disruption, with 11% agreeing that this was a major motivation for hiring more candidates, most commonly, businesses are doing so because they are expecting growth (37%) and need more hands on deck.



Meanwhile, 20% of businesses say they recognise that bringing more students and graduates on board represents good value for them and 12% of businesses indicated that they simply always make a habit of bringing more graduates onboard each year and intend to continue the trend in 2023 and beyond.

Elsewhere, 9% say that they are looking to step up their hiring due to currently having a shortfall of graduates on board.

All this means that for graduates, their prospects reflect the current status of the wider jobs market in the UK, where it is widely acknowledged that the situation favours workers. The unemployment rate is currently lower than its pre-pandemic level, at 3.9% as of April 2022 according to ONS figures and competition for talent is hot in the wake of the so-called Great Resignation.

For employers, however, the picture is slightly more complex. Higher than average levels of staff turnover mean that organisations have been spending more time and money on hiring employees, and in many fields, there will be a huge number of applicants keen to switch jobs or career paths. This means that any inefficiencies in how hiring happens or candidates are identified will likely become more glaring than ever before.

2. Employers' priorities – Boosting equality, diversity and inclusion tops the list

So, it's a positive picture for graduate employers who are looking to boost their hiring activity over the next twelve months. But what are their key priorities in this timeframe? What are they looking to achieve? And what sort of candidates do they believe they need?

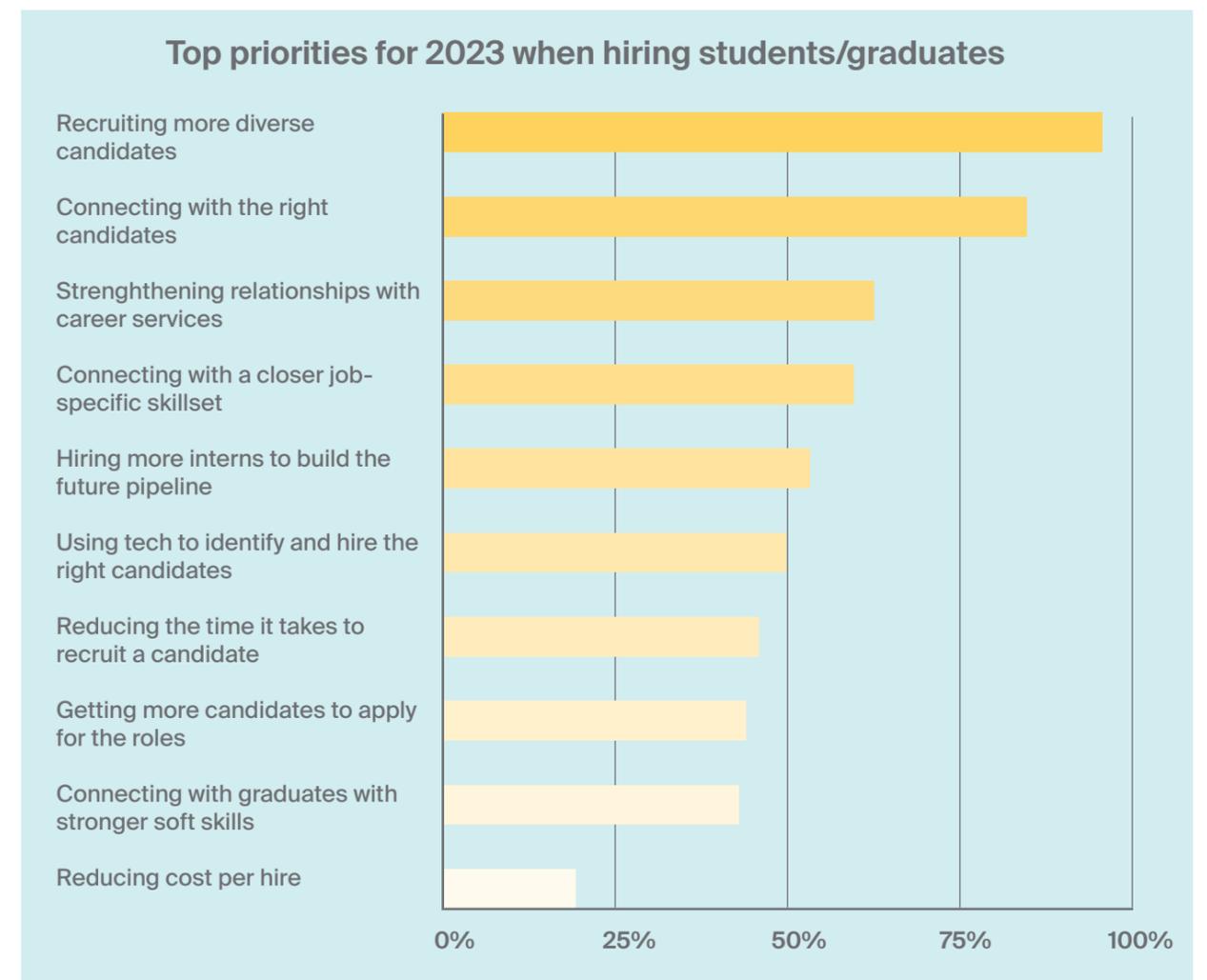
Equality, Diversity and Inclusion (EDI) is top of mind for the vast majority of employers. 97% of graduate employers told us that they see recruiting a diverse workforce as a top priority over the next year – recognising that a good EDI strategy broadens the skills, talents and experiences within an organisation.

Similarly, 90% of businesses say that they will be focusing more on connecting with the right graduate candidates in the coming year. As such, employers are more concerned with the quality and breadth of candidates available. This is why half of businesses (50%) consider utilising new technology to help identify and hire the right candidates a key priority too.

Similarly, identifying graduates that have a closer job-specific skill set fit continues to be important for employers – with 63% of businesses reporting that it's a 'high priority' to hire candidates who are a bit more sector-ready.

However, soft skills like working with others, professionalism, punctuality and managing deadlines also remain a key priority for 44% of businesses. Indeed, as more and more job activities become automated, soft skills, which cannot yet be replicated by machines, will only become more important.

Important too is hiring at a junior level – half of businesses (52%) believe that it will be crucial to hire more interns in the months ahead – building a critical mass of early talent, with new ideas and ways of thinking.



3. Employers keen to strengthen relationships with careers professionals (65%) and engage with students more regularly (45%) to meet hiring challenges

In order to meet upcoming challenges, employers are quickly realising that they need to strengthen relationships with university Careers Services teams – with 65% of respondents saying that this is a high priority in the year ahead. It's clear that ongoing collaboration is a mutually beneficial exercise – employers get to meet the most talented candidates, universities are able to get to grips with evolving career opportunities, and crucially students can develop the skills needed to successfully enter the workforce.

Looking at some of the most pressing obstacles to achieving this, some organisations report that they sometimes find it hard to access relevant student candidates when they deal with university Careers Services Teams (45%). A similar number (39%) report that finding graduate candidates through university platforms can be frustrating as the number and quality of candidates is inconsistent. All this adds to the feeling that better technology is required to connect the right candidates to the right employers at the right time – and cements the requirement for employers and Careers Service professionals to work more closely together – so that each party can better understand the requirements of the other.

What's more, 45% of employers report that they are now opting for more continuous recruitment processes, as opposed to the sporadic engagement of old. Rather than engaging with students at the end of their studies, they're now looking to make earlier connections, establishing relationships with students throughout their learning journey. Doing this not only strengthens the likelihood of recruiting great talent in a hyper-competitive market, it allows employers to influence what they learn – and the skills they gain – in university, ensuring that students are well prepared for the world of work.

When it comes to the nuts and bolts of what's needed, a personalised and fully integrated email platform has been identified as the number one tool for boosting student engagement with employers in the year ahead – and the good news is that technology like Handshake enables this work at scale. Our Employer Messaging solution is already helping employers build vibrant, engaging communications – allowing them to move away from general missives, to focus instead on reaching the right people at the right time.

4. 59% of employers are concerned about the impact of Covid-19 on skills – and most intend to bolster mentorship to compensate

It's an ongoing truth that employers want students with relevant experience – who have had on-the-job training through placements, work experience or simply authentic assessment opportunities at university.

They are of course aware that recent graduates have had less time and experience in the workplace than previous cohorts, due to the pandemic (85% of employers agree with this statement). Similarly, most agree that the impact of Covid-19 on the jobs market means graduate candidates have been prevented from gaining as much job experience, and so are less likely to come equipped with the skills to thrive in the workplace (59% of employers believe this to be true).

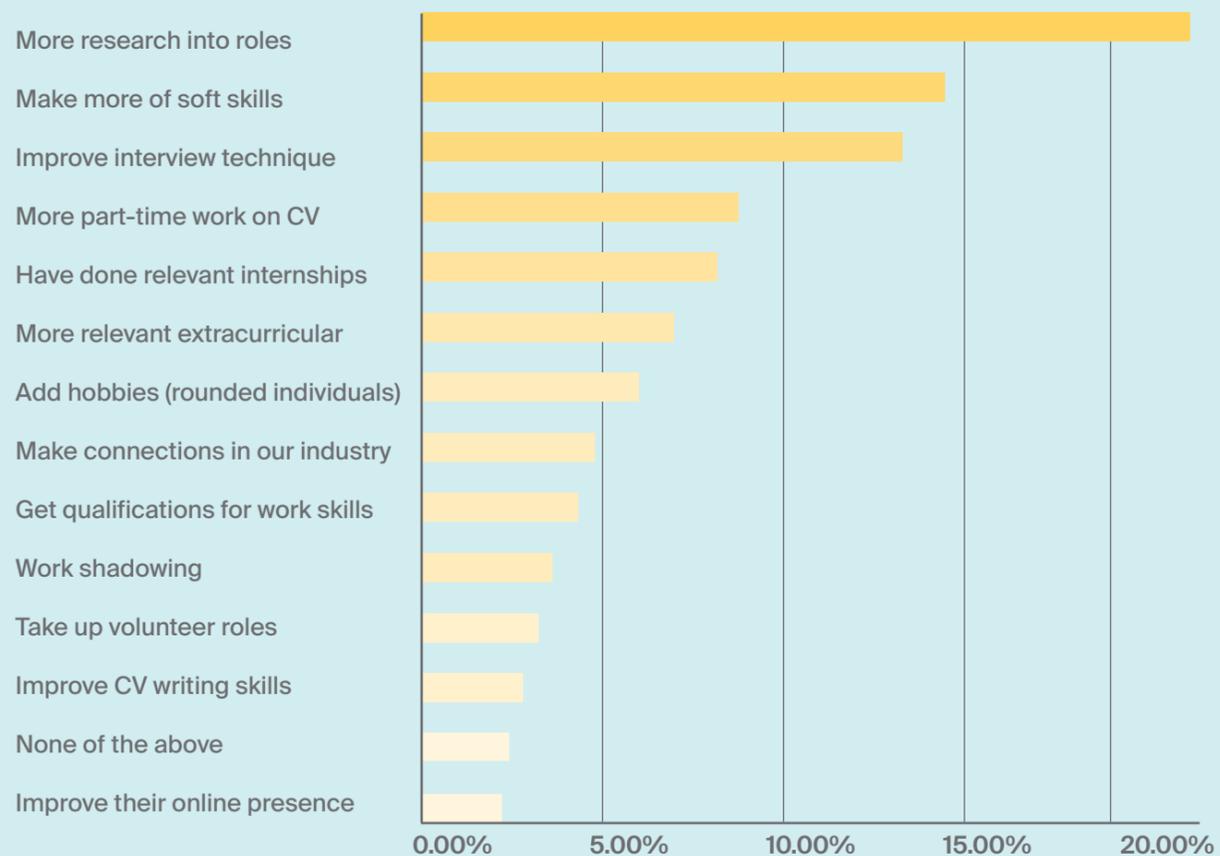
This has potential repercussions in terms of equality of opportunity too, and 68% of employers believe the impact of Covid-19 on graduate candidate soft skills is more likely to impact on candidates from marginalised backgrounds, who already often have less provision to build up experience via internships and less ability to leverage connections to get a foot in the door. More than half of graduate employers (56%) say they intend to either expand or start mentorship programmes in the coming year, which may be in part to bolster support.

While there are structural issues that are harder to navigate, there are a number of factors that graduates are more able to take into their own hands when looking for work. Most important of all according to employers, is that candidates show they are engaged with the brand. Around a quarter (23%) are looking above all else for candidates who have researched both the role they are applying for, and who understand the mission of the organisation.

We know too that employers are looking for a mix of technical ability – whether it's developing databases or writing reports – and 'soft' skills such as teamwork, communication, leadership, and commercial awareness. But 14% of employers suggest that they are keen to see more about soft skills in applications – the second most common suggestion. This chimes with a broader move among many employers towards hiring for potential rather than present-day skills.

Where it's been difficult to gain work experience during the pandemic, it's also important that students can demonstrate how they go the extra mile in their studies and spare time (including but not limited to part-time jobs, other essential commitments and even hobbies).

Top ways graduates can appeal to employers



Conclusions

This study reveals that the sector will face significant change over the year ahead: we're still not out of the woods when it comes to the unpredictable landscape of a post-Covid world and employers, students and universities' needs alike will continue to evolve.

However, in order to ensure success in the next twelve months, employers need to do more to reach students earlier in their learning journey, in order to create a 'ramp' to early career for each individual rather than information overload and stark step up to employment.

There are undeniable opportunities for employers to connect with students and universities in novel and fresh ways in the coming year. Employers will also need to make use of technology to automate less complex processes and information provision, to create stronger links and connections with universities – ultimately allowing them to better attract and retain graduate recruits who are ready for the world of work.

The first step for many employers will be to engage with a technology provider with the expertise and experience to help them to navigate the complex recruitment landscape. **The team at Handshake is here to help.**

For more advice and information visit www.joinhandshake.co.uk



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