

# **Is Graduate Recruitment Meeting Business Needs?**

## **Web Audit**

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# 1. Introduction

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The Institute for Employment Studies (IES) and the Council for Industry and Higher Education (CIHE) share common ground on policy and employer practice of the selection, recruitment and development of graduates. This report presents a completed module of research work in progress that has been jointly funded<sup>1</sup> by IES Research Networks and CIHE – *Is Graduate Recruitment Meeting Business Needs?* This web audit will be included in the main body of the final report which will be published in Spring 2005.

An audit of recruitment websites was conducted by two students, (one an undergraduate and one a postgraduate) to inform the research from the graduates' perspectives. The Times Top 100 Graduate Employers is conducted by High Flyers, and polls graduates on campuses across the United Kingdom<sup>2</sup> about who their ideal graduate employers are. These results are collated, and showcased in a 'Top 100' ranking of graduate employers in terms of their popularity amongst students. The web audit has used this ranking to explore in more depth the qualities and characteristics of those organisations held in highest regard.<sup>3</sup>

The web audit collected data through observation of the graduate recruitment websites, and focused on four general themes:

1. processes
2. offer
3. selection
4. inclusion.

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<sup>1</sup> Further sponsorship was provided by HEFCE, LogicaCMG, and Sutton Trust.

<sup>2</sup> Approximately 15,000 final year students, surveyed and selected at random.

<sup>3</sup> While many different factors may have influenced finalists' choice of 'best graduate employer', the criteria used in the review have been chosen based on their accessibility for data collection, and relevance to the project as a whole.

The data is analysed according to these four themes, and provides frequencies and distribution in terms of column percentages. In addition, the results are considered using three main break variables:

1. graduate scheme, or not
2. sector (private versus public)
3. position within the 'Top 100', by four categories (into quartiles).<sup>1</sup>

The sample, determined by entry to the 'Times Top 100', includes 85 private sector organisations, 14 public sector employers, and only one voluntary body. Furthermore, 81 of the organisations on the list have graduate schemes (the remaining 19 do not, but rather recruit graduates to specific jobs).<sup>2</sup> The complete list of employers in the *2003-04 Times Top 100 Graduate Employers*, is as follows:

**Table 1: List of times Top 100 Graduate Employers**

Ranking	Company	Ranking	Company
1	Civil Service	51	QinetiQ
2	Accenture	52	Diageo
3	PricewaterhouseCoopers	53	Lloyds TSB
4	Army	54	Arcadia Group
5	KPMG	55	Royal Navy
6	HSBC	56	Arup
7	BBC	57	Airbus
8	Procter & Gamble	58	Citigroup
9	NHS	59	Local Government Scheme (NGDP)
10	Deloitte & Touche	60	Pfizer
11	Masterfoods	61	Standard Life
12	Unilever	62	John Lewis
13	Ernst & Young	63	Teach First
14	Shell	64	Merrill Lynch
15	BP	65	Freshfields
16	Marks & Spencer	66	Schlumberger
17	Goldman Sachs	67	ABN AMRO
18	Sainsbury's	68	Bain & Co

<sup>1</sup> Companies were ranked by their position in the 'Top 100', creating a new break variable with four categories: 1 (ranks between one and 25), 2 (ranks between 26 and 50), 3 (ranks between 51 and 75), and 4 (ranks between 76 and 100).

<sup>2</sup> An organisation's graduate recruitment was designated a scheme if there was a defined development program, with a specific duration and content (as opposed to acceptance into a specific job role).

<b>Ranking</b>	<b>Company</b>	<b>Ranking</b>	<b>Company</b>
19	IBM	69	HBOS
20	Aldi	70	Nestle
21	Ford	71	Norton Rose
22	GlaxoSmithKline	72	Cadbury Schweppes
23	BT	73	Data Connection
24	AstraZeneca	74	Jaguar
25	Barclays Bank	75	MI5: the Security Service
26	BAE Systems	76	British Airways
27	UBS	77	Orange
28	L'Oréal	78	Slaughter and May
29	McDonalds	79	WPP
30	Police Service	80	GCHQ
31	Rolls-Royce	81	Dstl
32	Royal Air Force	82	PA Consulting
33	Boots	83	Herbert Smith
34	Microsoft	84	ICI
35	Ministry of Defence	85	Lovells
36	Tesco	86	Credit Suisse / First Boston
37	Allen & Overy	87	Grant Thornton
38	Royal Bank of Scotland	88	Virgin
39	Clifford Chance	89	Bank of England
40	ASDA	90	BDO Stoy Hayward
41	Eversheds	91	Wragge & Co
42	Morgan Stanley	92	BNFL
43	Exxon Mobil	93	European Commission
44	McKinsey & Company	94	Mercer
45	JPMorgan Chase	95	Oxfam
46	Deutsche Bank	96	Sony
47	Foreign Office	97	Waitrose
48	Linklaters	98	Watson Wyatt Worldwide
49	Reuters	99	Deloitte Consulting
50	Vodafone	100	Defence Logistics Agency

*Source: 2003/2004 Times Top 100 Graduate Employers*

## 2. Findings

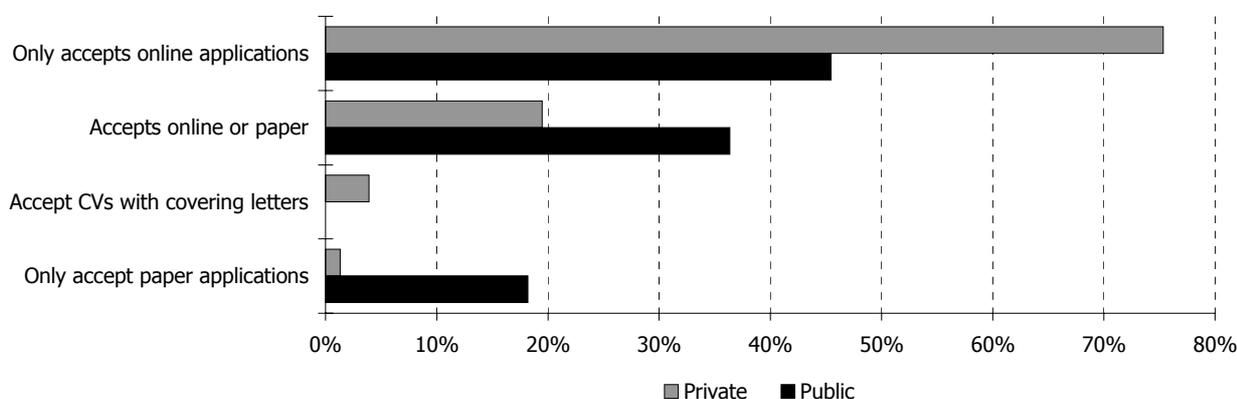
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### 2.1 Application processes

Overall, the technical standard of recruitment websites was very high, and they were very user friendly (mean score of 4.1 out of 5). While almost all of the organisations in the 'Times Top 100' had recruitment websites,<sup>1</sup> not all recruitment processes were restricted to online applications with 25 per cent of companies accepting alternatives such as printed and posted applications, CVs with covering letters (see Figure 1).

Only a small proportion of employers (mostly in the public sector) had not introduced online application processes (three per cent), and accepted paper applications only.<sup>2</sup> The vast majority of

**Figure 2.1: Is recruitment all online?**



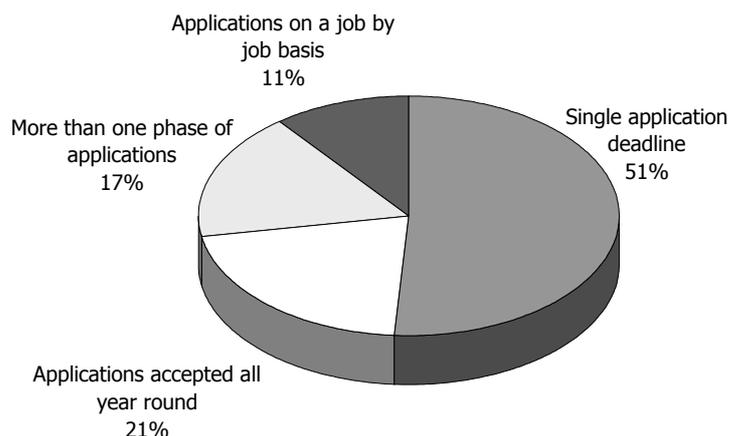
Source: IES Web Audit of 'Times Top 100 Graduate Employers' (2004)

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<sup>1</sup> At the time of data collection, two websites were inaccessible, and/or under construction, which reduced the total number of cases included in the audit from 100 to 98.

<sup>2</sup> When the results from the IES research are compared with similar research conducted by AGR, the trend towards accepting only online applications (and away from paper based applications) is supported (see appendix).

**Figure 2.2: Rolling recruitment?**



Source: IES Web Audit of 'Times Top 100 Graduate Employers' (2004)

application forms were competence based (88 per cent),<sup>1</sup> however this was more often the case for organisations with graduate schemes, than for those without (94 per cent of those with schemes versus 64 per cent without schemes) and likely to reflect the alignment with other HR processes or systems.

In terms of application deadlines (Figure 2), just over half of the organisations had a single deadline for the whole year (51 per cent), and this was significantly more common for organisations with graduate schemes (64 per cent versus five per cent). Only a fifth of the entire sample accepted applications at any point in the year, and this was more likely to be the case in organisations without graduate schemes (47 per cent of those without graduate schemes). Such practice may reflect the organisational need to recruit graduates into specific job roles or functions, possibly for shorter timescales or for the duration of a specific project.

## 2.2 What is on offer?

Just over four fifths of the organisations in the 'Times Top 100' offer graduate schemes (81 per cent). Keeping in mind that these organisations are chosen by students, this can be interpreted in two ways. First, that students have preference towards graduate schemes and so these companies get higher ratings. Second, those companies with graduate schemes are also more likely to promote themselves amongst students which would in turn increase the likelihood of their receiving multiple votes.

When the prevalence of schemes is compared by position within the Top 100 rankings, we can see that there is a slightly higher proportion of organisations with graduate schemes in the top half of the list (83 per cent and 88 per cent in the first and second

<sup>1</sup> Application forms were not accessible to public browsing on all sites, which resulted in a large proportion of missing data for this variable.

quartiles), than in the bottom half (72 per cent and 80 per cent in the third and fourth quartiles).

The majority of recruiters do not accept applications from candidates outside the UK and the EU/EEC (59 per cent).<sup>1</sup> Employers without graduate schemes, were even less likely to accept international applications, however none of the public sector organisations included in the research accepted applications from international graduates. While very few of the 'Times Top 100' were 'bringing in' graduates (in a global sense), many more were offering international opportunities within the graduate schemes and in the potential 'career offer' (67 per cent).

On the whole, those companies in the 'Top 100' were offering more than just a development program. Graduate schemes were promoted as an entry point to a longer term career for the most part (98 per cent), and graduates were promised a permanent position at the end of the organised graduate program.

Companies approach to advertising pay was split, with even proportions choosing either to display typical starting salaries online, or not (51 per cent advertising pay versus 49 per cent not advertising it). Interestingly, information about starting salaries was more immediately apparent for the public sector employers in the sample than those in the private sector (71 per cent of public versus 47 per cent of private). Also, there was a slight downward trend between quartiles in proportions of those who advertised, with 58 per cent stating salaries in the top two quartiles decreasing to 48 per cent and 38 per cent in the bottom two quartiles. This may imply that graduates prefer to see a salary when scouting employers, or alternatively, that the trend amongst the best of the best, is to advertise pay. This trend, however, may also reflect the fact that the most popular graduate recruiters, feel more able to advertise starting salaries without any adverse affect on the quality or volume of applications, as they are already held in very high regard.

## 2.3 Selection

In terms of selection criteria, there is a wide variety of specific standards required by employers in the 'Times Top 100'.<sup>2</sup> There

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<sup>1</sup> Preliminary findings from the case study interviews indicate that some large international organisations recruit overseas, in countries where operations are based. Graduates entering organisations in this manner are sometimes part of a larger international graduate development scheme.

<sup>2</sup> The data reflect only the websites with information accessible to browsing (without registration or application), so the discussion of selection criteria is limited to basic requirements and excludes analysis or comparison of competencies.

are many different combinations of basic requirements, most of which include degree class, UCAS points or A levels. Degree subject, and professional qualifications apply to some particular strands of graduate schemes, such as research and development, legal professions, engineering, or other functional or technical work areas.

Degree class is the predominant initial selection criterion with more than half of employers in the sample using this to perform a preliminary sift of applications (62 per cent). The requirement varies between a 2:1 and a 2:2 degree (in some cases a 2:2 will also need to be accompanied by a minimum number of UCAS points). Degree subject is slightly less important than degree class, however many employers in the sample consider subject for some elements of their graduate scheme (see Table 2).<sup>1</sup>

Use of UCAS points and A levels is a way for employers to further distinguish between growing numbers of high-class degrees. While these credentials are used less frequently than degree class or subject (41 per cent versus 62 per cent and 54 per cent), their use is concentrated amongst employers in the private sector (46 per cent in private versus 14 per cent in the public sector, or 39 organisations in private sector vs. two organisations in the public sector).

Professional qualifications are required far less frequently, and are also concentrated amongst private sector employers. Very few of these organisations are in the top quartile of the list, which may reflect the nature and size of these employers, in that they are industry specific (legal, manufacturing and retail) and medium in size compared to the top ten organisations.

**Table 2: Initial selection criteria used by 'Top 100 Graduate Employers'**

<b>Preference expressed for...</b>	<b>Yes</b>	<b>No</b>
Degree class	62	38
Degree subject	54	46
UCAS points/A Levels	41	59
Professional qualification(s)	19	81

\*In part' does not include degree subject requirements for specific graduate schemes, but rather represents employers who have 'either/or' requirements where a degree in a specific subject can be used as an alternative to another requirement (such as work experience for example).

*Source: IES Web Audit of 'Times Top 100 Graduate Employers', 2004.*

<sup>1</sup> Employers with multiple schemes and business units sometimes specify subject specific degrees for only parts of their graduate intakes. This statistic includes employers such as these, and therefore cannot be interpreted conversely to mean that only 46 per cent of employers in the list do not require subject specialities.

## 2.4 Inclusion

In addition to providing a glimpse of the student perspective in graduate recruitment, this web audit showed how top graduate recruiters present themselves and their brand online. One of the key objectives of the audit was to inform the wider study how graduates from 'non-traditional' backgrounds may perceive their opportunities with employers. The following six criteria, that we term 'inclusion', were developed in order to assess how welcoming graduate recruitment websites may appear to those graduates from non-traditional backgrounds.

- Alternative entry requirements encouraged (*ie* work experience, access programmes)?
- Is imagery balanced in terms of gender (ratio of roughly 50:50)?
- Is there a testament to equal opportunities?
- Are there any targeted entry routes for under-represented groups?
- Are there any age restrictions?<sup>1</sup>
- Is imagery balanced ethnically (*ie* a mix of white and non-white profiles)?

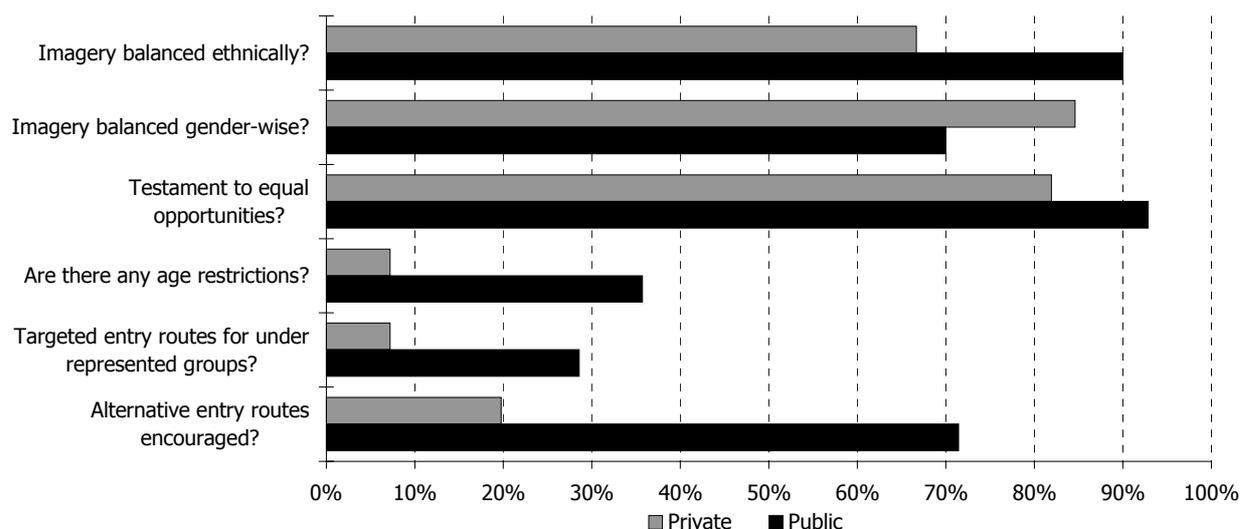
Results of this data collection show that while some of the more cursory inclusion criteria are widely practised, others (which may be more challenging measures) are far less prevalent. For example, the majority of top graduate employers have presented a balanced mix of profiles, equally representing men and women (83 per cent). Likewise, most organisations in the sample have a balance in their representation of white and non-white profiles (69 per cent), although fewer websites showed balanced ethnicity profiles than gender profiles. Over four-fifths of employers have a testament to equal opportunities on their website (84 per cent in total, and 93 per cent of public sector employers), and very few have specified age restrictions (11 per cent).<sup>2</sup> On the other hand, less than one-third of the sample encourage (or accept) alternative entry requirements (27 per cent), and considerably fewer employers have created targeted entry routes for under-represented groups (ten per cent).

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<sup>1</sup> Age restrictions are described as 'present' graduates are unable to apply beyond a specified elapsed time after graduation, which implicitly excludes older graduates, despite the possibility that new graduates may also be older.

<sup>2</sup> By proportion, it appears that age restrictions are far more prevalent in the public sector (seven per cent in private versus 36 per cent in the public sector). However as the sample of private sector employers is considerably bigger (85 private organisations versus 14 public), this occurrence should be interpreted with caution.

**Figure 2.3: Approaches to inclusion by private and public sectors**



Source: IES Web Audit of 'Times Top 100 Graduate Employers' (2004)

Where strategic changes have been introduced to improve inclusion, such as alternative entry requirements and targeted entry routes, this has been far more prevalent in the public sector. Almost four-fifths (71 per cent) of public sector employers in the sample accept alternative entry requirements (compared to 20 per cent in the private sector), and nearly a third (29 per cent) have introduced targeted entry schemes for under-represented groups (versus seven per cent of the private sector sample). While this difference may not be surprising, it raises the question of what effect different approaches to inclusion (between the private and public sectors) will have on the subsequent compositions of graduate intake.

Other inclusion factors, such as balancing website imagery for gender and ethnicity, and the display of an equal opportunities testament were characteristics more common among organisations in the top half of rankings. This observation raises the question 'which comes first?' in the relationship between graduates' preferences and employer branding, like the chicken and the egg. However, by either explanation, it seems evident that graduates and employers have embraced indicators of an inclusive organisation.

## 2.5 Key points

### 2.5.1 Processes

- The majority of top graduate recruiters have streamlined their application processes so they are exclusively online, and have a single deadline each year.

- Many also offer some sort of pre-screening, or self-selection tool, presumably aimed at reducing the volume of applications, and ultimately the costs of recruitment.

### **2.5.2 Offer**

- Most employers in the 'Times Top 100' run graduate schemes which are aimed at providing longer-term careers for successful applicants.
- While the majority of offers include opportunities to work internationally, far fewer employers accept applications from applicants without the right to work in the UK.
- There is an even split between employers in the sample who choose to cite starting salaries (and sometimes projected salaries), and those who do not.

### **2.5.3 Selection**

- Top graduate recruiters continue to sift applications preliminarily according to degree class and/or UCAS points.
- Some employers also express preferences for degree subject, while others have requirements for professional qualifications.

### **2.5.4 Inclusion**

- Most employers have a balanced portrayal of gender and ethnicity, and also display testaments to equal opportunities.
- Strategic approaches to inclusion (such as alternative entry routes or targeted entry schemes for under-represented groups) tend to be more prevalent within the public sector.