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Understanding the Impact of Covid-19 on the Graduate Job Market

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Contents

ISE Research

- The ISE runs a range of surveys, polls and research projects.
- Many of them have been run for decades in one form or another.
- The recruitment survey is our flagship research report each year.
- It tells us what is happening in the student labour market and how employers are responding.

What is our data showing us?

The survey ran in September 2021.

69 questions

177 employers responded

Covering a total of 45,312 student hires.

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Hires reported in the survey (n=45,312)

Total student hires in 2020/2021 (177 organisations)

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Employers by sector

Responses by sector (177 organisations)

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The 5 biggest student recruitment trends

- Competition for graduate jobs reached a record high
- The market is bouncing back
- Recruitment has gone virtual (possibly for good)
- Homeworking is becoming more normal in early careers
- Diversity matters (but there is more to do)

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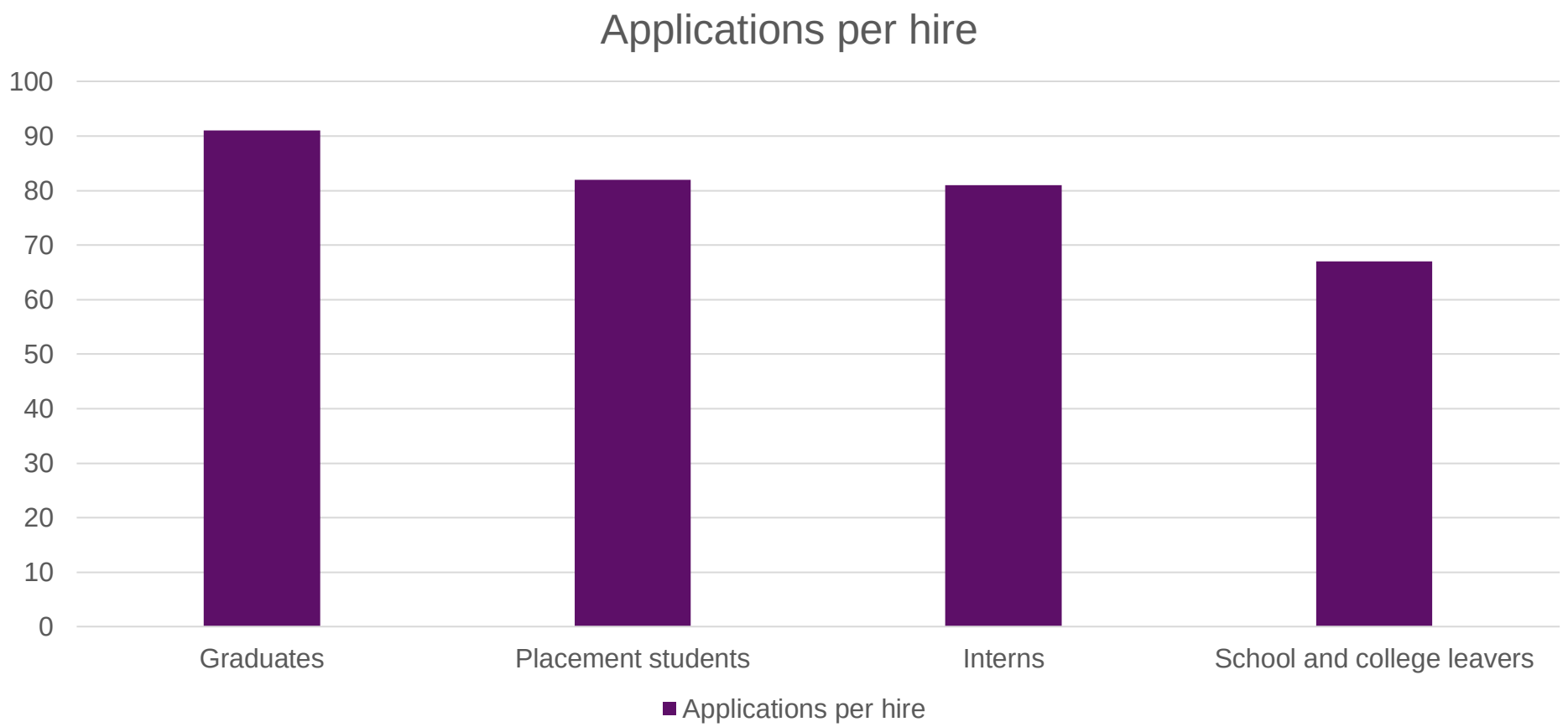
It is still a competitive market



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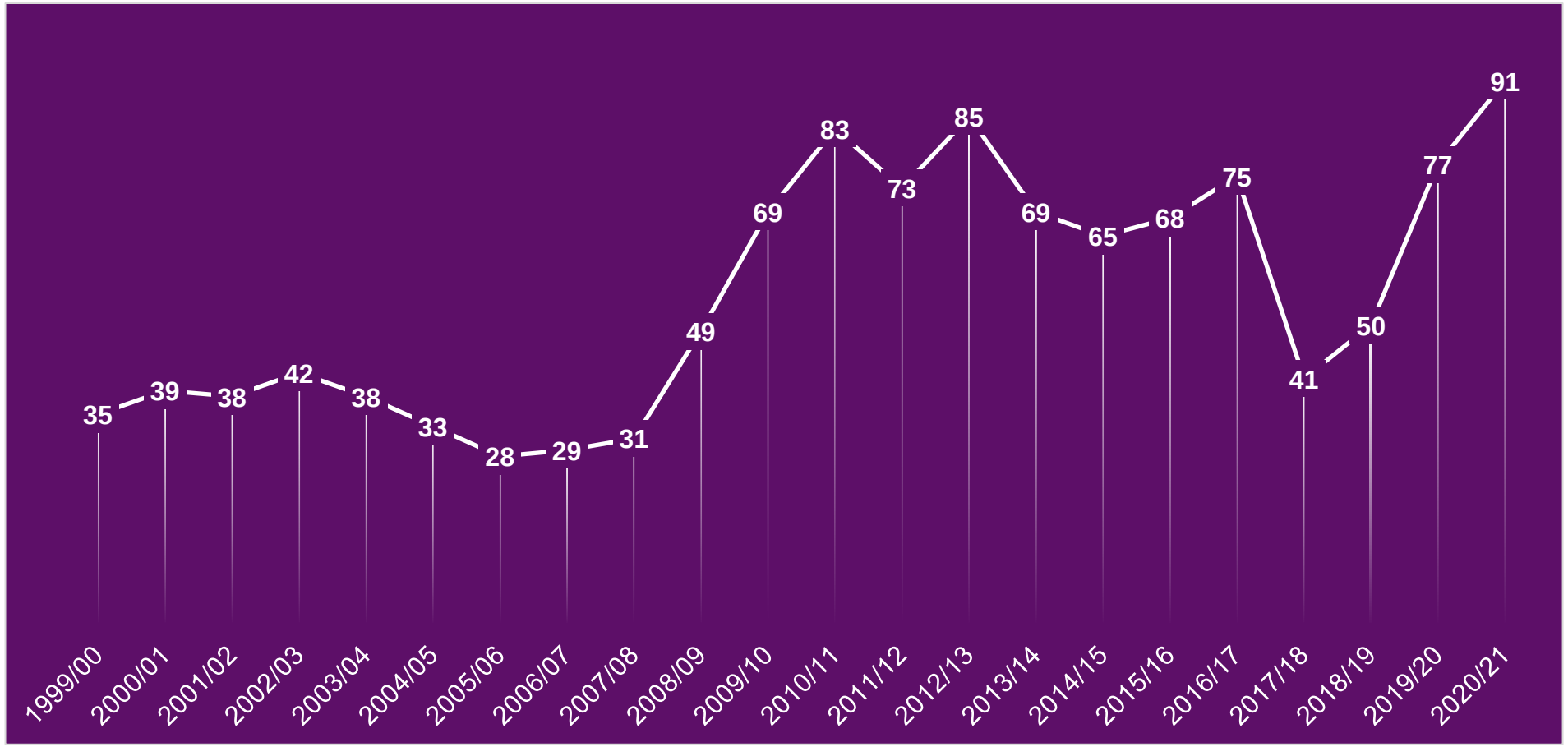
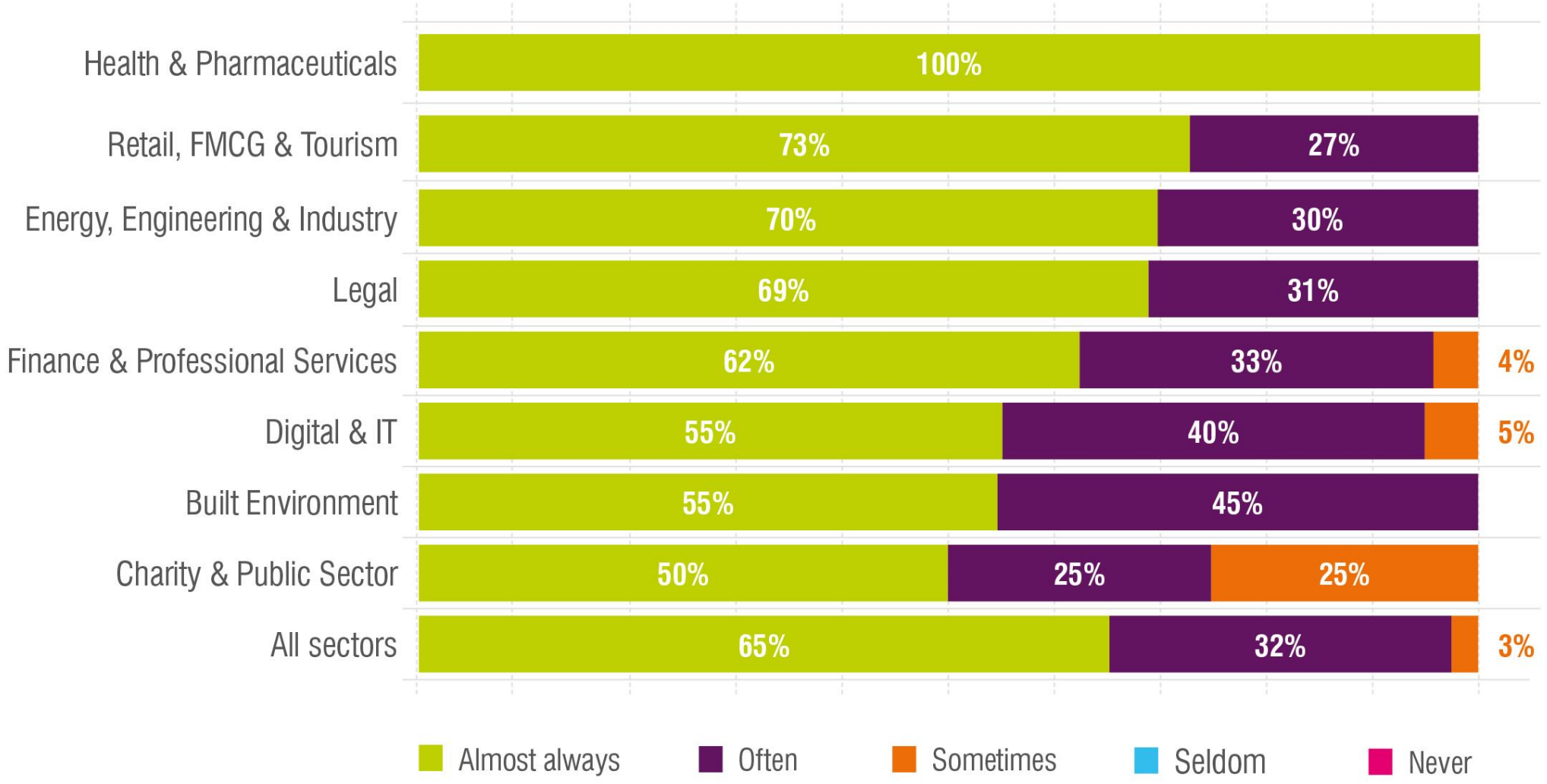
Average number of graduate applications-per-hire 1999-2021



Cost per hire

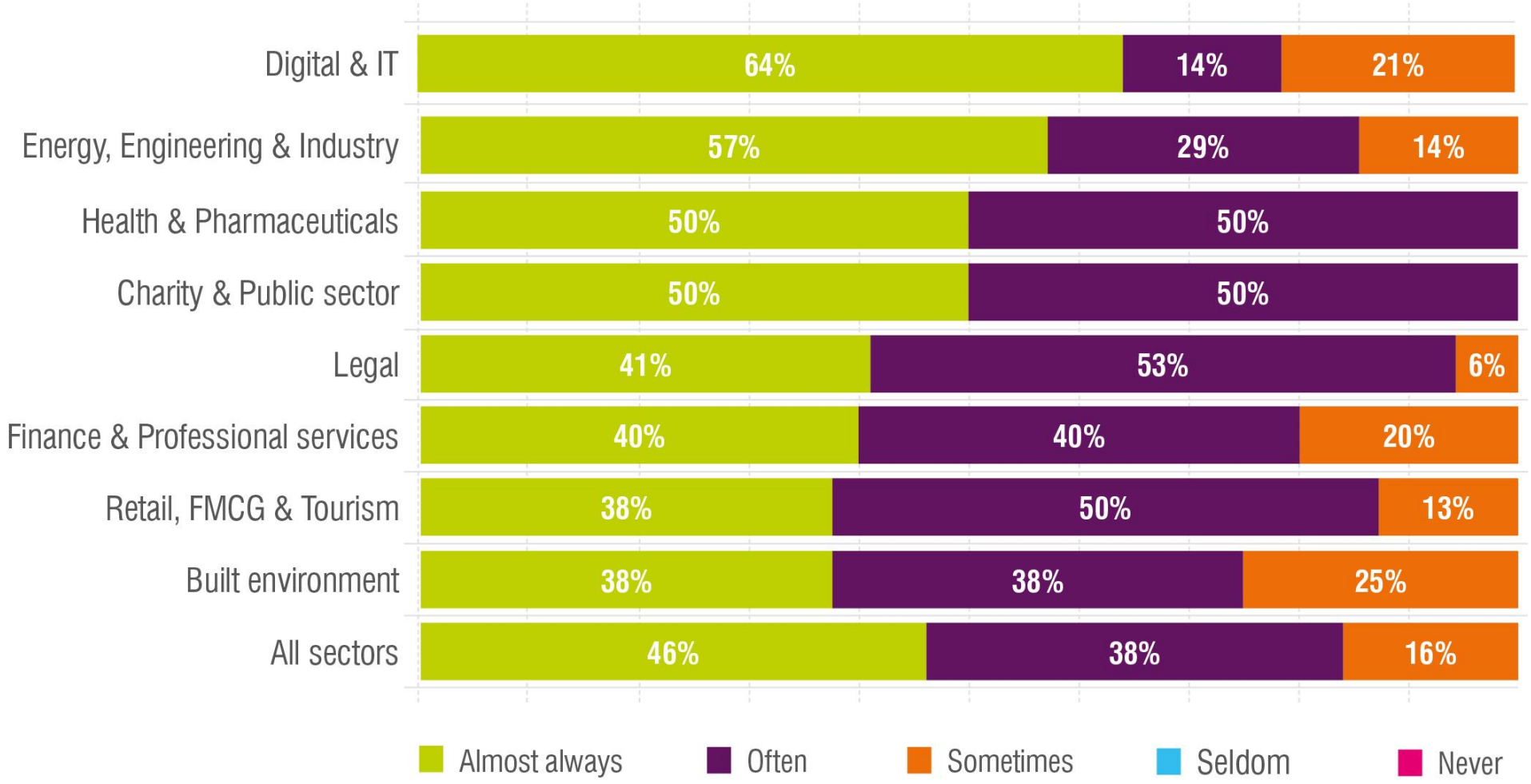
Quality of graduate hires

Organisations' ability to recruit the quality of graduate hires that they need (160 organisations)



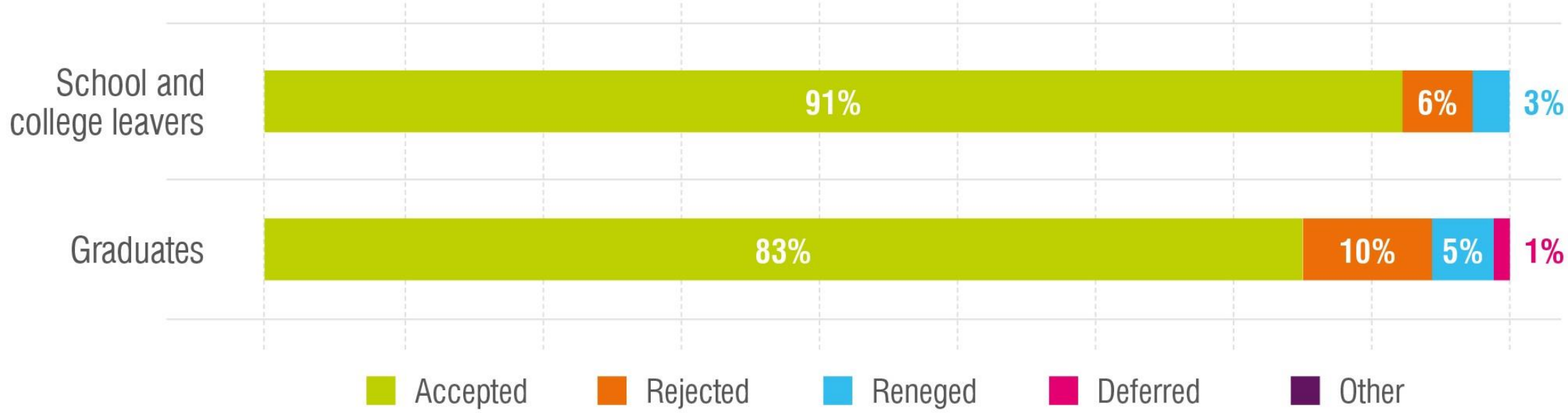
Quality of school and college leaver hires

Organisations' ability to recruit the quality of school and college leavers that they need (98 organisations)

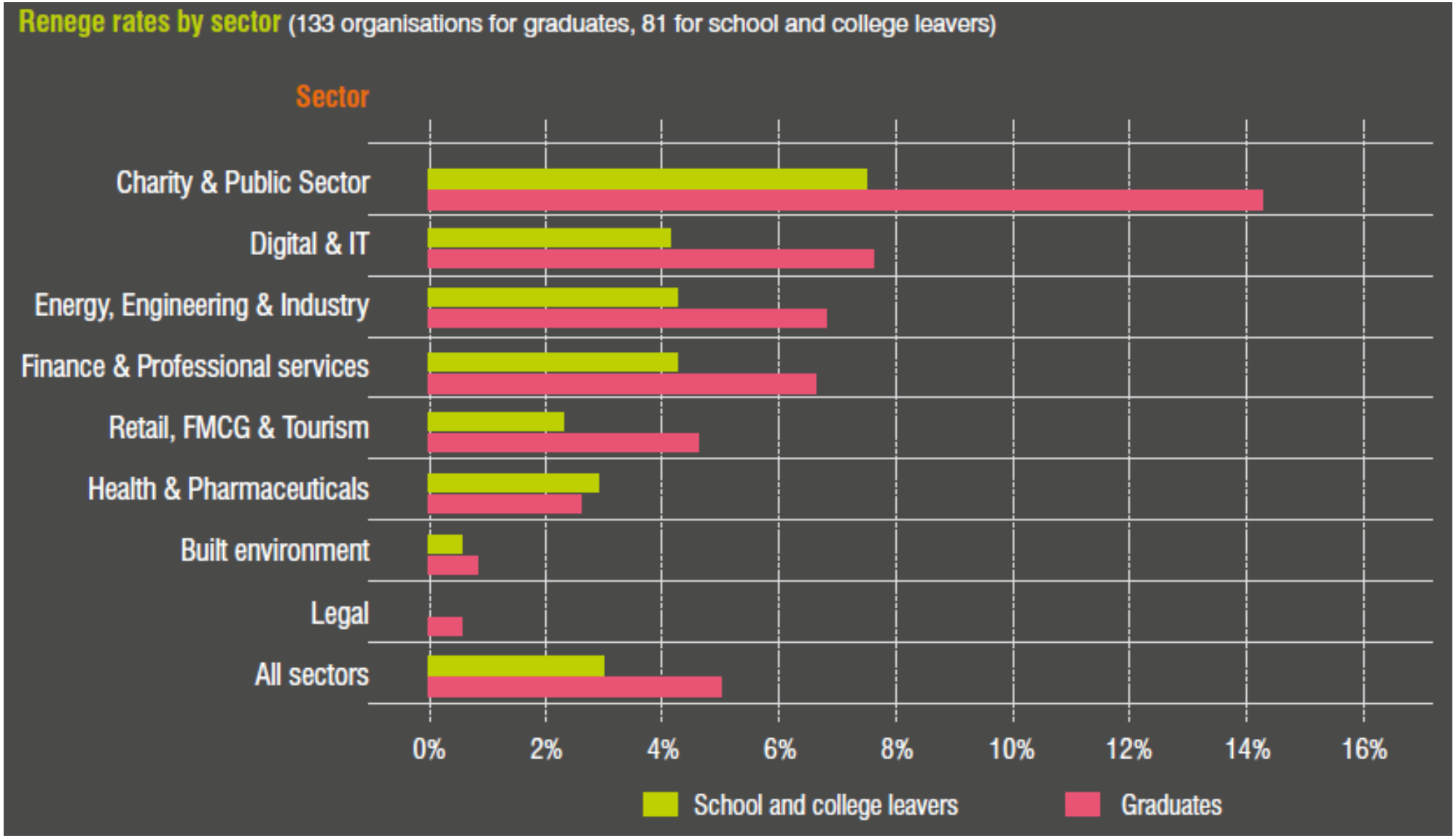


Acceptances of offers

Average responses to a job offer (133 organisations for graduates, 81 for school and college leavers)



Renege rates



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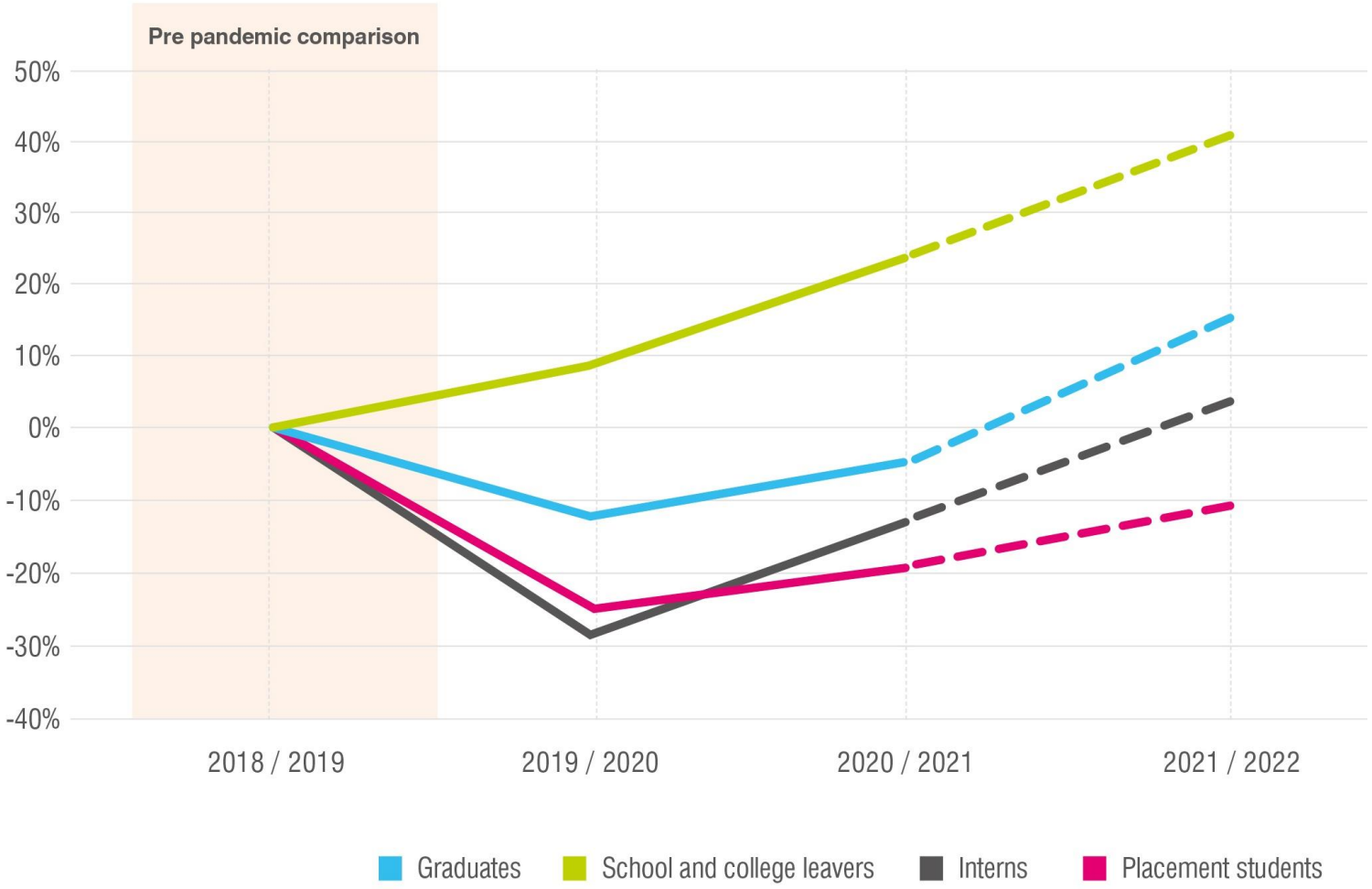
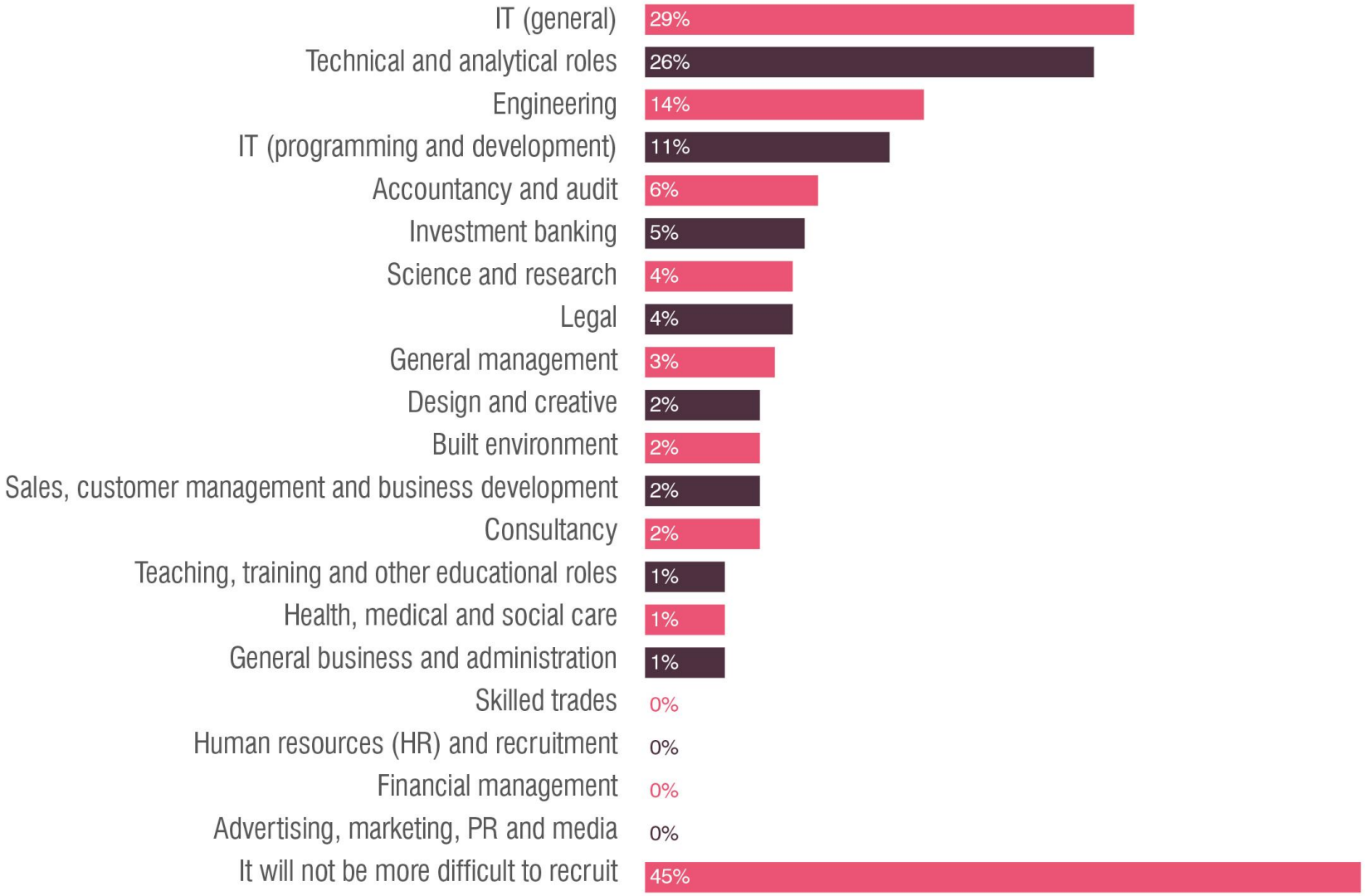
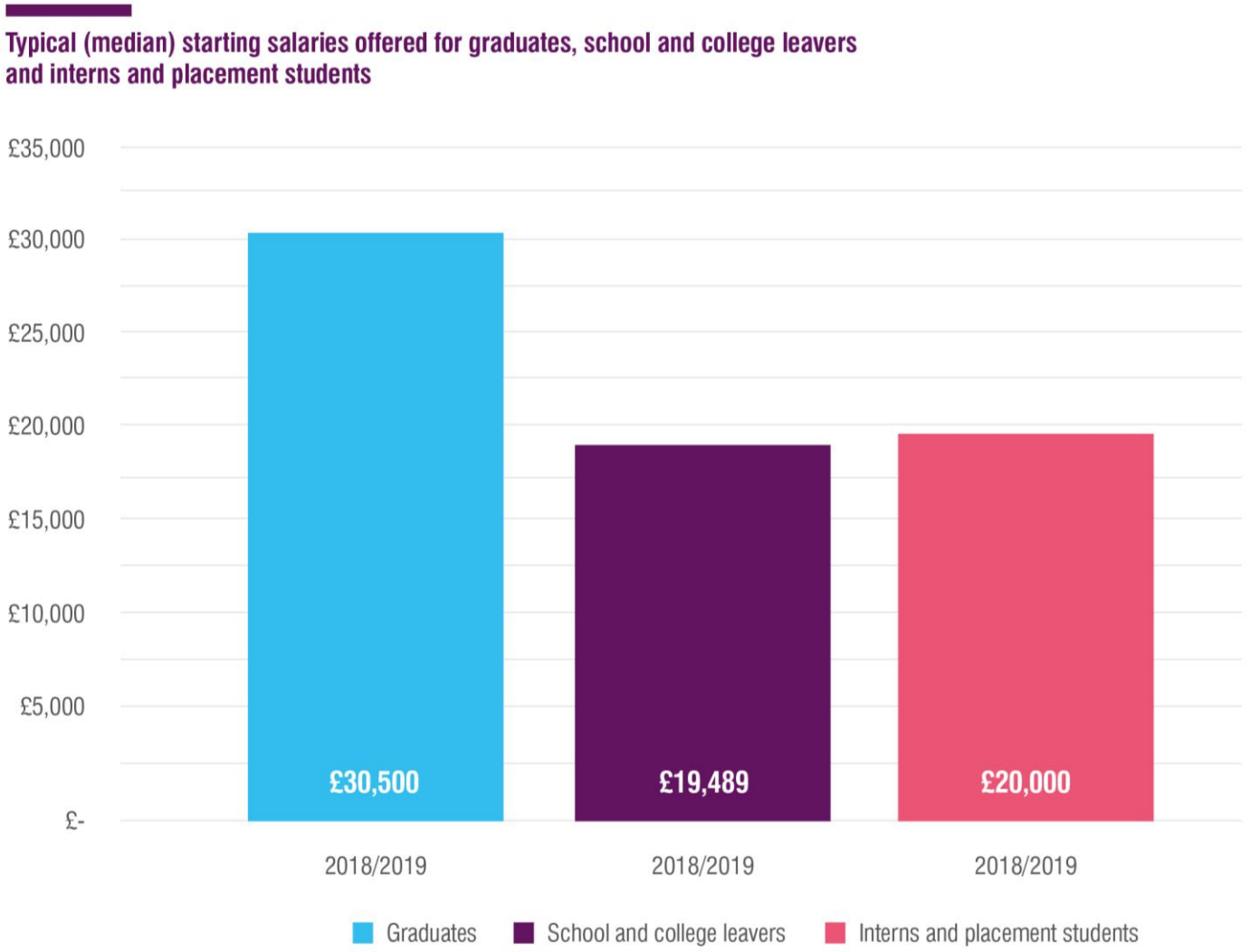
Market growth since the pandemic



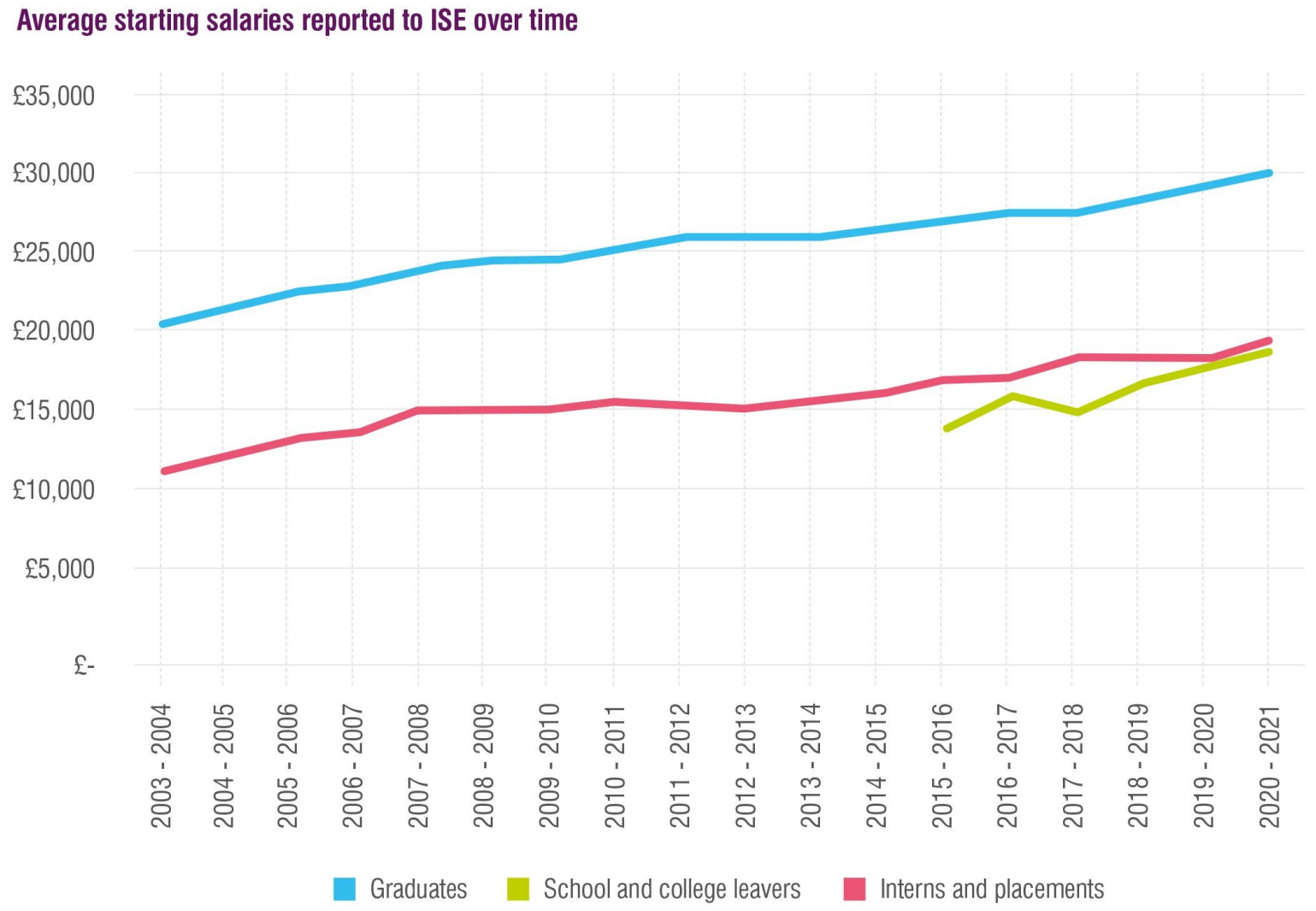
Roles expected to be more difficult to recruit to in future



Salaries


Typical (median) starting salaries offered for graduates, school and college leavers and interns and placement students
£35,000
£30,000
£25,000
£20,000
£15,000
£10,000
£5,000
£-
£30,500
£19,489
£20,000
2018/2019
2018/2019
2018/2019
Graduates
School and college leavers
Interns and placement students

Salaries


Average starting salaries reported to ISE over time
£35,000
£30,000
£25,000
£20,000
£15,000
£10,000
£5,000
£-
2003 - 2004
2004 - 2005
2005 - 2006
2006 - 2007
2007 - 2008
2008 - 2009
2009 - 2010
2010 - 2011
2011 - 2012
2012 - 2013
2013 - 2014
2014 - 2015
2015 - 2016
2016 - 2017
2017 - 2018
2018 - 2019
2019 - 2020
2020 - 2021
Graduates
School and college leavers
Interns and placements

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Covid has driven employers to adopt virtual recruitment approaches

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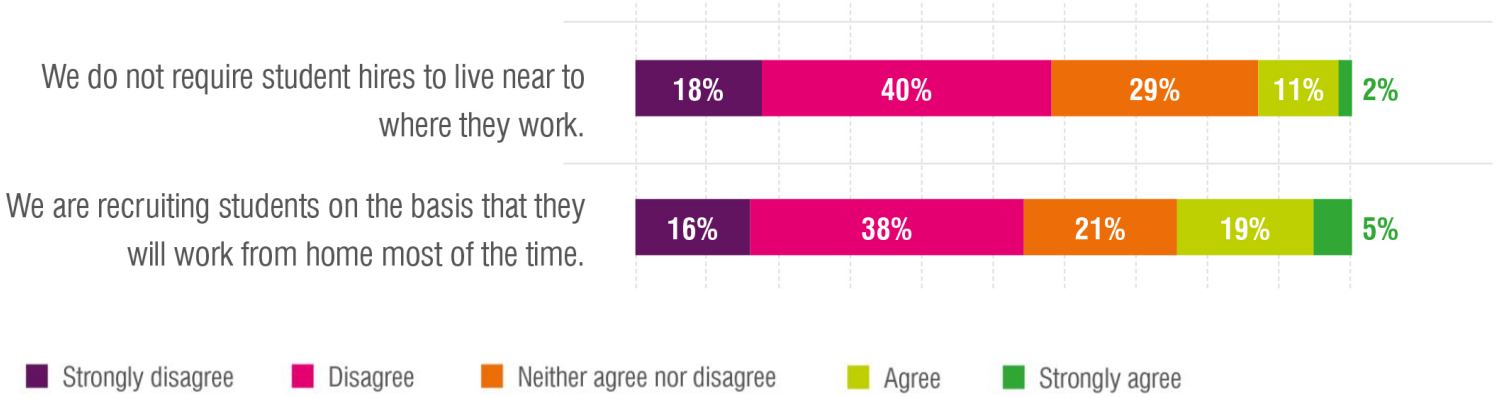
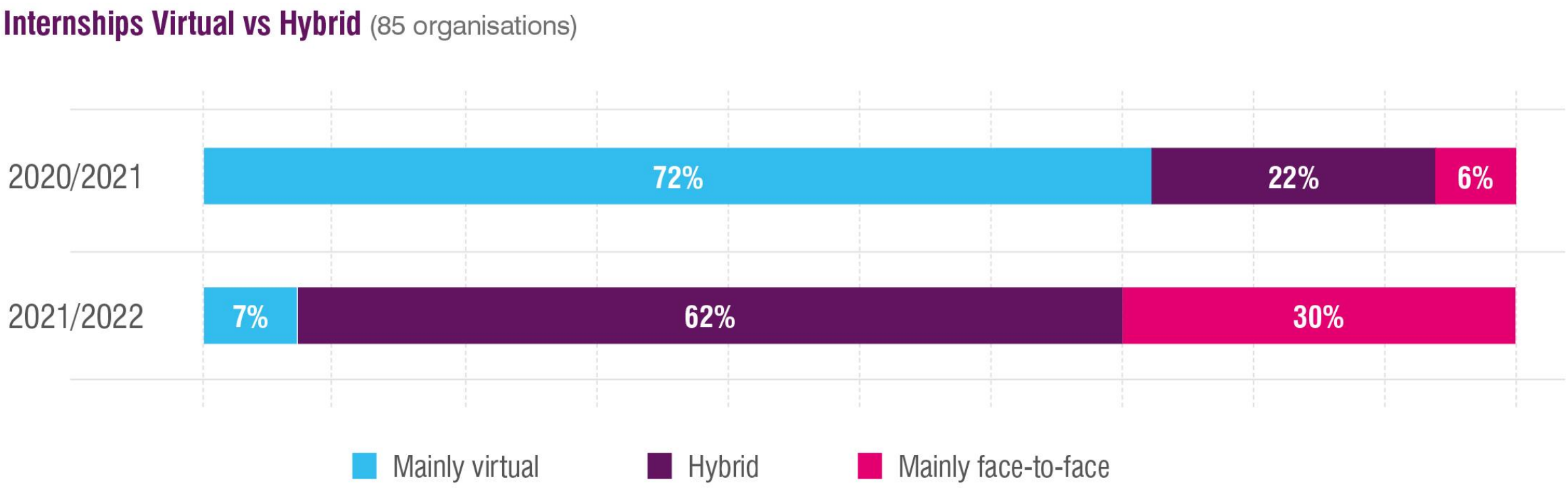
Is home-working rising?

Figure 2.2
Post-pandemic approach to student recruitment (169 organisations)

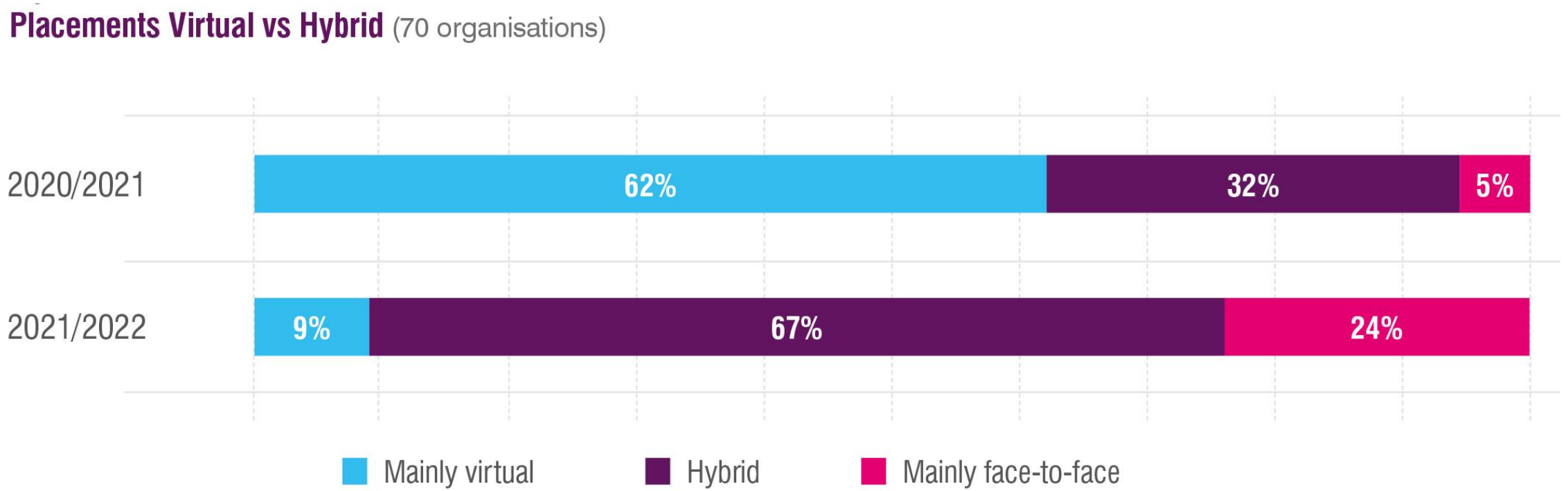


- Sectoral differences seen with the digital and IT sector reporting the largest proportion of home based students (52%).
- 20% of employers report that they will be basing an increasing number of early-career staff at home over the next five years.

Delivery of internships



Delivery of placements



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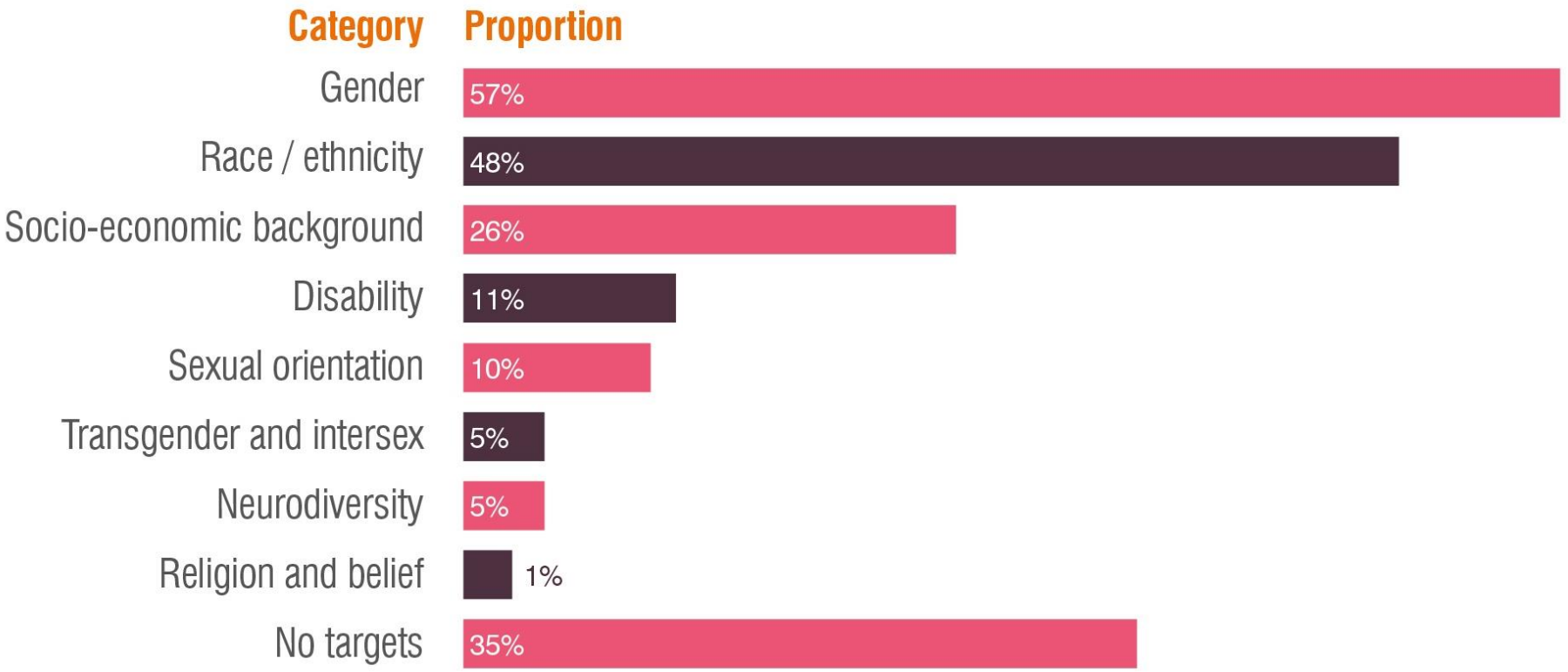
Employers' diversity targets

The proportion of organisations with targets for attracting diverse hires (148 organisations)



Attracting more diverse hires

Action taken by employers to attract more diverse candidates (143 organisations)

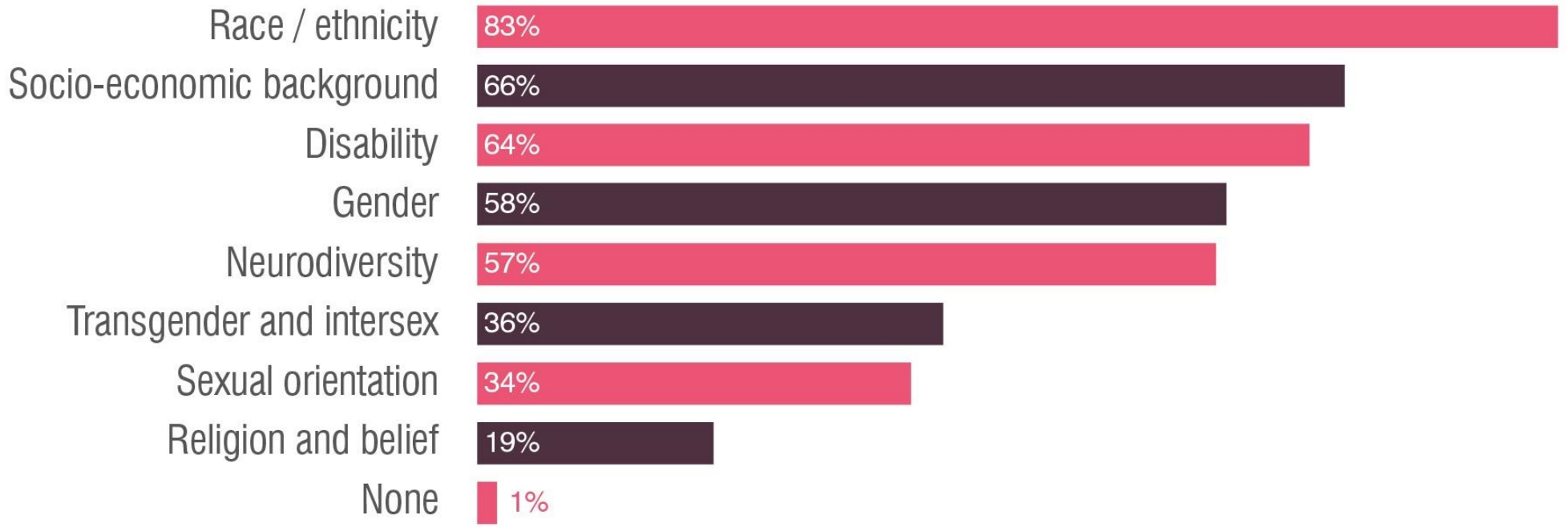
Selecting more diverse hires

Approaches taken by organisations to improve diversity in selection (147 organisations)

What organisations need to focus on over the next five years

Diversity strands that organisations need to address to achieve a diverse and representative workforce

(149 organisations)



Employability Trends in 2022

- Reduction in applicant numbers for both graduate, undergraduate and school leavers – *virtual fatigue*
- Soft-skill development in the workplace missing for students in a a virtual world
- Employers are indicating a desire to remain virtual when attracting students, universities highlighting this is hard for students and are less engaged

Recruitment Predictions in 2022

- In a virtual space, recruiters are looking to automate their process more – rise in gamification and technological solutions
- Increasingly, sectors are implementing neurodiversity targets
- Graduates are prioritising carbon-conscious companies - with more than 70% saying they were more likely to choose to work for a company with a strong environmental agenda.

Core takeaways

1. How can students be engaged in a totally virtual recruitment process?
2. Recruitment is currently on the up but the context remains quite unstable - it is important to think about long term planning and the potential challenges
3. After a couple of years where recruitment has been virtual by necessity, is this really working for students or limiting D&I efforts?
4. Attend to the particular challenges of homeworking for young and entry-level staff.
5. It seems that the approaches currently taken to improve diversity aren’t likely to be sufficient to achieve the level of diverse workforce wanted in 5 years time. It may be time to step up efforts.

Where to find the report

This year's Student Recruitment Survey is now available at:

ise.org.uk/page/ISEPublications