

How can graduate recruitment be sustainable and effective when the economy slows?

Setting the scene

THE FUTURE OF WORK IS UPON US. BY 2020 THE WORKPLACE WILL BE THE MOST DIVERSE THE WORLD HAS EVER SEEN.

Multiple generations will be working together as baby boomers hit retirement age, Gen Zs enter the workforce and Gen Xs and Ys are sandwiched in between. For the first time, there will be more 65 year olds than one year olds, and as many people aged 60-70 as 10-20. Coming with this diversity of age and experience are the different habits, motivations, skills and working preferences that drive individuals, and a glaring skill, experience and leadership gap.

Not only are the population and workforce demographics changing, but so is the job market: Just as it has transformed over the last five years, the job market will continue

to dramatically evolve. Jobs that didn't exist five years ago— zumba instructors, social media interns, big data architects and cloud services specialists - are now a part of our everyday life. With the continued advances in science, energy, health, technology, digital, medicine and space exploration, what jobs will exist in four years' time, in 2020?

Are organisations of 2016 embedding the culture and leadership to promote the innovation, knowledge share, flexible working and sustainability required to secure competitive advantage in this changing market? Implementing a robust and forward thinking graduate recruitment strategy could help.

WHAT IS A GRADUATE?

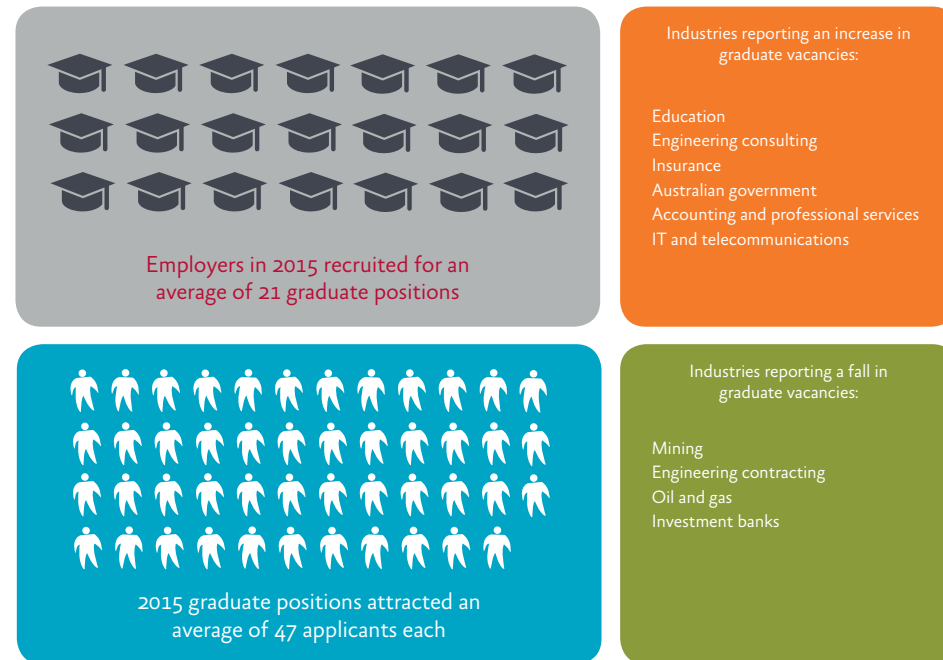
Age doesn't come in to it. Cvetkovski and Gepp define graduates as:

- Degree qualified
- Having a base level of competency
- Needing work experience
- Technically raw
- Innovative
- Energetic
- Ready for a real job
- Having entry level salary expectations
- At the start of their career pathway
- Needing development
- The potential leaders of the future¹

Setting the scene

The graduate recruitment landscape in Australia

Graduate recruitment is cyclical in nature and tends to be undertaken well in advance of a specific position being identified or becoming available. Intakes are usually aligned to university semesters, with graduates often commencing within the first few months of the calendar year. Graduate recruitment is not about 'bums on seats', but strategic ongoing pipelining for organisational talent. For these reasons, the majority of graduate employers typically conform to the recruitment model below:



Why recruit graduates?

Graduate hiring brings fresh talent into a business. It creates and develops a talent pipeline for the future of organisations. It can counteract the effect of an ageing and retiring workforce and bring new skills, knowledge and innovation to the workplace. It ensures businesses remain competitive and current, and can assist with organisational culture changes. Many organisations recruit entry level hires to meet their short term requirements for lower level roles and qualified labour at reduced salaries. Naturally, all of this must be underpinned by an understanding of, and alignment with, business objectives.

For the purpose of this paper, we focus on graduate hiring, but the principles and strategies discussed can apply to all forms of entry level hiring, such as vacation, apprentice, cadet, trainee and intern recruitment.

Longer term, graduate recruitment can:

- Promote investment in the future of the organisation and its wider industry. Imagine there was no training of doctors post-graduation. Or no real life experience before lawyers defended their first client. For most professionals, learning in their chosen discipline doesn't end with university. If an organisation isn't growing its own talent, shoring up the future of skill, experience and passion in the industry, how can it rely on others to? Without commitment to the industry, organisations may find themselves fighting over a shrinking pool of talent in future years.
- Proactively reduce the dearth of experience that can affect organisations at certain levels or within particular disciplines. Many who have inconsistently recruited graduates will notice gaps in their home grown talent throughout their organisations.
- Maintain partnerships and relationships, even when times are tough. An organisation's partnerships with its preferred universities are often key to recruiting the best students, contributing to the future success of the faculty, providing pre-graduate opportunities and guiding students in the practical application of their subject matter. This leads to higher quality students entering the marketplace, industry and individual organisations after graduation.

There are of course reasons that organisations don't recruit graduates or, perhaps even worse, cut their recruitment efforts mid-cycle when times get tough, claiming that:

- "Graduates are too expensive". 2015 saw graduates receive an average starting salary of \$60,714, the highest salary spike since 2011³. The average cost of a graduate's training in 2014 was \$5,350⁴: A big investment in their future, but adding value to your future too.
- "The economy isn't conducive to any recruitment at all – why would we hire graduates?" It's true that labour market conditions haven't been looking particularly positive: In January 2015, Australia's unemployment rate hit 8.8%, the highest level recorded since November 1994. However, the unemployment forecast of 6% by June 2016⁵ indicates early signs of improvement and with the next economic upswing will come heightened competition for the best students.
- "There's an oversupply of graduates – the market's flooded". If the federal government's push for 40% of 25 to 34-year-olds to have a bachelor's degree or better by 2025 is successful⁶, there will be another one million students in Australia. Despite attracting an average of 47 applicants per position in 2014, 41% of organisations reported difficulty in finding enough qualified graduates to fill them⁷. Universities, the government and employers all have a role to play in ensuring graduates are qualified and ready for work after study. Whilst it may currently be a buyer's market, ignoring the need for a consistent pipeline of entry level employees as part its wider people strategy can ultimately be detrimental to an organisation's growth and competitiveness. Hiring a pipeline of entry level employees will help guide, build and shape the workforce of the future.



Sustainable graduate recruitment

If cost cutting is a factor, or redundancies are on the agenda, the flow of graduate talent is often seen as an easy tap to turn off. After all, if your organisation is downsizing, how and why would it justify recruiting for entry level roles?

Halting graduate recruitment, letting go of important university partnerships and retrenching your graduate recruitment managers is easily done, but not as easily recovered when business improves. Employer brand takes a long time to build and a moment to destroy: A sudden disappearance of presence in the market now will affect engagement with your brand when you reappear. However, putting such a business case forward and managing the internal messaging as others are redeployed can be difficult.

So how can graduate recruitment be sustainable when the economy slows? What can proactive HR departments build into their business case for new or continued efforts in graduate recruitment and development? There are four major components that can help in securing time, money and resources in a budget-focused, cost effective way:

1. Align graduate recruitment with the organisation's broader people strategy
2. Differentiate yourself as an employer
3. Maximise low cost engagement opportunities
4. Measure return on investment.

Align graduate recruitment with the broader people strategy

Harrier's previous whitepaper Employer Branding - Turning Your Messaging Inside Out, highlighted the criticality of aligning the people strategy with sourcing campaigns:

"Correlating the HR strategy with the organisational strategy is the foundation of any business case for recruitment and development campaigns. It's important to understand the business drivers that will determine HR's focus - this might include the need to build capability in certain skill sets due to product and service changes, growth or expansion plans and the workforce planning required to achieve this. How will these drivers impact your need to build or enhance your capability in a new market or employee skill base, respond to new competitors or changing economics?"

How will graduate hiring aid your ability to respond and meet those strategic objectives? Lower salaries, new skills, the growth of existing employees through graduate mentorships and coaching opportunities, knowledge share between outgoing and incoming team members and investing now in the future of the organisation are all important to consider here. If those objectives still align with the wider business and people strategies, graduate recruitment still has a place.

Differentiate yourself as an employer

Yes it's true that with 47 applications per vacancy, employers may have been finding it relatively easy to fill their graduate roles. After all, they're not looking for niche, highly experienced specialists. But the continued competition to fill those roles with best students who are culturally aligned with their business and have the potential to be the leaders or subject matter experts of the future is fierce. Be creative and stand out from your competitors.

With a reported 80% of current students feeling unprepared for work and looking for direction⁸, graduate employers that offer meaningful mentoring programs and promote genuine two-way knowledge sharing will stand out among the crowd. Throughout all graduate and pre-graduate interactions with your organisation, remember it's a two way assessment. You're assessing applicants for their fit with your organisation, but they're assessing you to make an important decision: If you were to make them an offer of employment, would they want to accept it?

Sustainable graduate recruitment

Maximise low cost engagement opportunities

Whatever your budget, you can engage and attract the future talent of your organisation: Simply demonstrate flexibility and adaptability in your business case and scale your graduate recruitment activities to your business circumstances each year.

BUILD YOUR PRE-GRADUATE PROGRAMS

Focusing your efforts on vacation and intern recruitment can be an effective, and relatively untapped, method of pipelining for graduate intakes of the future. Fewer organisations offer this type of employment to university students, so you're more likely to be the first to tap in to top talent and beat your competitors to it. Respondents to the AAGE survey in 2014 reported a 53% success rate⁹ in converting their vacationers to graduates, an indication that there is more opportunity for rigour and creativity in the pre-graduate stage to drive this conversion rate even higher.

Once onboard, the performance of vacationers and interns can be measured as a 'try before you buy' technique to ascertain whether they are your graduates of the future, thereby increasing the probability

of a right fit hire and eliminating unnecessary recruitment costs in the longer term.

HR will need to partner with stakeholders in the business to ensure these pre-graduates are given meaningful work and projects, whether they are with your organisation for one month or three. This will give a truer reflection of their potential for your graduate roles, but also enhance their experience of your organisation, adding greater impact to the authenticity of your brand.

Pre-graduate programs are also vital if an organisation is looking to increase participation in a particular area of the workforce, be it gender, indigenous or skills diversity. Entry level programs can be supplemented by grass roots initiatives in schools, VET colleges and extra-curricular groups.

High Budget	Reduced Budget
Project manage all aspects of recruitment and (perhaps) the associated development program through an experienced entry level hiring recruiter or team	Opportunity to expand another recruiter's portfolio to include graduate recruitment
Recruit nationally or internationally for students to join your organisation	Accept local applicants only
Focus on attracting the best students from target universities	Focus on transitioning your vacation students to graduate roles, consider making offers before they return to their final year of study
Attend and run high touch engagement events with as many students as possible	Host low cost events at your offices and participate in free events at your target universities
Engage external design agencies to produce marketing collateral	Use in-house resources to talk about your employer brand – authenticity is key, not copious amounts expensive branded collateral
Attend a broad range of targeted events at universities	Select the most important events to attend at your target universities
Advertise your roles on online job boards/ Run press advertising/ Participate in virtual career fairs	Proactively source talent, using social media, employee referrals and university partnerships
Recruit for all disciplines in your organisations	Reduce your intake: Segment your organisation and recruit for business critical roles only
Spend on training your existing employees on leadership, presentations, mentoring etc	Use involvement in graduate recruitment and development as on-the-job training for identified high potential individuals

Sustainable graduate recruitment

ENHANCE ENGAGEMENT WITH YOUR EMPLOYER BRAND

Branding and engagement for the student audience ideally deploys multidimensional attraction strategies and may include the following channels to maximise engagement and reach:

- Strong online presence:
 - o Company and career website
 - o Universities' careers centres
 - o Industry and related interest websites
 - o Graduate specific job boards such as Gradconnection
 - o Virtual career fairs
 - o Use of videos
 - o Social media.
- Face-to-face career and networking events.
- University partnerships, presentations and networking opportunities.
- Pre-graduate engagement:
 - o Education events and tools in school
 - o High school work experience placements
 - o Clerkships, internships and vacation work
 - o Workplace projects or case studies for students
 - o Skills based sessions such as CV writing or interview skills
 - o Competitions and crowdsourcing.

Although it is vital to understand your target demographic and how they're accessing your messaging, employer branding doesn't need to be expensive. Simply repurposing what you have and maximising contact points with the graduate market will help keep costs down if budgets are lower than previous years'. Work with your marketing department or PR company to identify what your organisation already has that can be built on, or developed, easily.

By distributing and personalising content relevant to the graduate market segment, you increase the visibility of information and create further awareness of your employer brand. Remember to check in with what is being said about your organisation: Is your brand resonating and connecting as intended? Websites like Whirlpool are particularly useful here, as students take to online forums to ask questions, share and rate graduate employers.

IMPLEMENT A HIGH TOUCH, LOW COST CALENDAR OF EVENTS

Career fairs and job boards are expensive. Branded collateral is expensive. Flying around Australia to present at universities across the country is definitely expensive. In tough times, organisations can save money on graduate recruitment by maximising lower cost opportunities:

- Inviting local candidates into your offices for networking events or running skills sessions at your target universities, rather than hiring external venues
- Reconsidering printed graduate brochures and factsheets - direct everyone to your website instead, but ensure it is up-to-date, relevant and informative
- Arranging for SMEs in your business to present to students in their lectures rather than holding careers events; Karen Lawson from Laureate Universities International asserts that, "Increasingly lecturers are being pulled in from industry to deliver classes, especially in design, digital, entrepreneurship and creative arts, narrowing the gap between what learning is perceived to be and providing real life exposure to 'the world of work'".¹⁰
- Limiting the number of job boards you're using: You want high quality of applicants, not quantity, (especially if you're only recruiting a few graduates) so why does your brand need to be present on every sourcing channel?
- Using social media to drive traffic to your careers page - retweeting interesting posts, writing blogs about your organisation, hosting webinars and podcasts, posting photos of your existing graduates at work - this can all reduce the need for more costly branding efforts.
- Encouraging referrals from your employees and their networks to generate applications. A third of employers in 2014 didn't use employee referrals or pre-graduate programs to support their recruitment¹¹, which suggests they're starting from scratch each year, generating applications and paying the associated costs.
- All of the above could be managed by a recent graduate in HR or marketing, lowering costs, ensuring your presence is relatable and enhancing your on-the-job training offering.

Sustainable graduate recruitment

BUILD AND MAINTAIN PARTNERSHIPS

Research shows that one third of employers have a preference for a particular educational institution when they recruit graduates¹², a sign that building strong university partnerships can be a vital part of the entry level hiring process.

If graduate vacancies fall, or recruitment is halted altogether, these partnerships can still be maintained, albeit in a different form:

- Encourage a few key stakeholders to mentor or coach top students from your target university - this will particularly appeal to the Gen Zs sense of under-preparedness - or arrange a coffee meeting with the head lecturer of the most relevant department.
- Organisations may consider supplying case studies of real business events to key university departments, providing students with real life application to the theory they're learning.
- If invited to present at, or attend, a relevant university networking event or provide industry insight into a topic, make sure someone represents your organisation.
- If you can't afford the full internship you've been offering for years, consider taking a number of students on for a few days for a workplace project instead.

Lawson strongly believes employers have "an opportunity to be the first to build relationships and spot great talent whilst delivering relevancy into the classroom. A number of education providers are changing the structure and design of courses to enable industry to collaborate, submit projects or even be part of the process of assessment. Companies should be proactive in developing these relationships; that could be speaking at a graduation ceremony, running panels or providing opportunities for young managers to lead small teams or groups of students in specialist areas".¹³

If your organisation doesn't have a dedicated graduate recruitment manager, try using this aspect of the process as a development opportunity for a high performing individual from elsewhere in the business.

If your organisation is able to build strong relationships with target universities, maintaining them in good times and bad, you will continue to contribute to the wider industry and benefit from the valuable insight and resources that lecturers, careers services and alumni can provide.



Sustainable graduate recruitment

Measure your return on investment

Graduate recruiters are increasingly tasked with delivering top talent who have the potential to become the leaders of the future, while getting more bang for their organisations' buck: It is vital that they show business stakeholders the actual and potential return on investment.

MEASURES

Cost per hire

The median cost per graduate hire in 2015 was \$8,529¹⁴, though surprisingly only 36% of respondents to AAGE's 2016 survey actually measure this key metric¹⁵. When calculating your cost per hire include all aspects of recruitment spend such as advertising costs, university engagement, sponsorships and recruitment team costs. This cost per hire can later be balanced against the contribution (to sales, cost savings, fee earnings etc) made by a graduate over a defined timescale.

Retention

Report on the length of time each graduate remains with the organisation. Data shows that on average, 81% of Australian graduates who started in 2011 are still with their employer¹⁶. Consider also how to record graduates who return to your organisation later in their career.

Internal placements and employee referrals

Reduced costs of hiring experienced staff can be achieved as graduates transition into more senior or technical roles that would have otherwise been filled from the external market.

Number of applications and source of hire

Examine the number of applications you received and which marketing channel they originated from: Only 22% of graduate employers measure their return on this investment¹⁷ but it is key to determining which your marketing channels had the greatest success. Acknowledge that your application numbers may fall if your engagement and attraction strategies reduce, and ensure you can tell your stakeholders

University partnerships

54% of employers measure where their grads came from¹⁸: Mapping the career progression of each graduate against their university may highlight if one, two or three specific universities are producing your best performing graduates and leaders.

Qualitative measures

Qualitative measures of return on investment may include:

- Raised brand awareness
- Increased morale within the team
- Improved retention by allowing staff progression
- Mitigated risks by transferring knowledge to new people.

Regardless of the measures of return on investment that you use, the very least graduate recruitment managers can do is gather data year on year, to help them identify trends in the sources of hire and university partnerships that are working for them. Cvetkovski and Gepp summarise it well: "Benchmark, research, gather data, measure, analyse and report".¹⁹

Reaping the rewards

IF NEAR-FUTURE WORKFORCE PREDICTIONS AREN'T COMPELLING REASON ENOUGH TO CONTINUE WITH ENTRY LEVEL HIRING, THE LONG-TERM BUSINESS BENEFITS SHOULD BE. GRADUATES HAVE POTENTIAL TO NOT ONLY SHAPE THE WORKFORCES OF THE FUTURE BUT WILL, SOONER THAN LATER, BE THE NEXT GENERATION OF LEADERS, ENTREPRENEURS AND INNOVATORS.

Not every new graduate will become your next CEO, but "statistics do show that graduates who have been with an organisation for more than five to seven years are more likely to grow into future leaders and take on senior positions".²⁰

Not only do the current generation of students value personal and career development over money, but they are the most mobile, technologically savvy and innovative generation of all time. Gen Ys and Zs appear to have a heightened sense of community and colleague relationships; there is an expressed desire to collaborate and connect, not compete. Building

a relationship with, and offering an opportunity to, this demographic through graduate, trainee or apprenticeship hiring, enabling them to contribute and grow with your organisation will reward you with continued relevance and loyalty. Like any youth generation, hiring entry level will keep your company current with social, retail, product, service, and other market trends.

A consistent commitment to hiring and growing a pipeline of entry level employees just might make the difference between whether your company soars or stagnates.²¹

Succession

"Succession planning is already a key issue - yet by 2020 40% of today's managers in family and small business will have reached retirement age", writes social analyst Mark McCrindle. "We are headed towards the biggest leadership succession ever".²²

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