

## Uncertainty as students enter university of life

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*Today's graduates are entering a shaky jobs market, but how will their experiences compare with past decades and are there lessons to be learnt from previous slumps?*

There's no denying that the economic downturn is going to have an impact on the UK's graduate recruitment market. But as his organisation turns 40 and he reflects on the industry's profile and growth over the past four decades, Carl Gilleard, chief executive of the Association of Graduate Recruiters (AGR), remains optimistic.

"Some businesses are cutting back and we could expect constraint in financial services but I guarantee there will be recruitment," he says. "There are going to be some sectors that will fare very well, such as the public sector, parts of manufacturing, and power and oil. Most businesses view their graduate recruitment as a long-term investment."

Gilleard points to the heavy price paid by firms that halted recruitment during the recession in the early 1990s, and adds that lessons have been learnt. "For the subsequent few years, because they had shut down their talent pipelines to overcome the skills gaps, they had to go out and recruit in the open market and that was very costly. When I talk to my members they will only cut back or stop recruiting graduates when it's a last resort," he says.

Even taking into account the likely drop in numbers over the coming year, today's graduate recruitment landscape is a world away from the days in which the AGR, then called the Standing Conference of Employers for Graduates, was founded.

"At that stage the market was much smaller," recalls Keith Bell, a former AGR chairman who was responsible for graduate recruitment at ICI in the late '60s and at PricewaterhouseCoopers during the '80s and '90s. "There were fewer graduates coming through and they were almost all men. A lot of the subjects were engineering- and science-related and there were far fewer types of recruiters."

Graduate schemes in retail, law, accounting, management consulting, local government, police or the health service did not exist and with only 5 per cent of the population going to university, "most good candidates would be able to get at least one offer", says Bell.

Recruitment itself was also an entirely different ball game: there were no careers fairs and with no internet it was mostly done through direct contacts with university departments. Bell says that a type of "milkround" existed, but it was strictly controlled by careers services.

"Recruitment was only in the spring term so it was quite a short window. Autumn term recruitment was not allowed because that was when students were meant to be preparing for their finals. Now you have year-round recruitment," he explains.

Kate Orebi Gann, a former AGR chairwoman and head of recruitment at Marks and Spencer from the early '70s to the late '90s, says many of the changes came about because of the introduction of equality legislation in the 1970s, leading to "a much greater professionalism".

"Instead of a handful of people who chose in five minutes whether someone was right, assessment centres were introduced where companies tried to replicate what the job was. It was about trying to comply with legislation but also about getting people who were a better fit to the jobs," she says.

The expansion of higher education also had a big impact. Companies such as Marks and Spencer were accustomed to recruiting school leavers into management training, but by the 1980s the popularity of this route was declining. The number of graduates drew level with the number of school leavers and eventually formed the majority, said Orebi Gann.

This also led to an increase in applications at M&S - around 25,000 each year for about 400 places - which she recalls became more and more difficult to handle in the late '80s and early '90s. Technological improvements, and eventually online applications, eased the burden.

Orebi Gann puts today's qualms about declining graduate standards down to the huge expansion. "If you change the university population from 5 to almost 50 per cent some are going to be different animals. I'm sure there were always some university graduates that couldn't spell but there are more of them now. But there are also some people who would never have got into the 5 per cent [in 1968], who have got terrific entrepreneurial skills to offer," she says.

For Hugh Smith, a freelance HR consultant who worked in graduate recruitment at BT during the mid '90s, the industry at that time was characterised by major changes in the roles that graduates were carrying out. After the privatisation of BT and its entrance into a competitive marketplace, he remembers a new focus on customer-based skills alongside technical knowledge. BT was recruiting about 400 graduates each year at that time, with around 16,000-20,000 applicants, he says.

Smith notes "a disappearance of third class degrees and an increase in the number of students getting a first or upper seconds" at that time, and that "it was sometimes hard to match that with an increase in employability".

He adds: "There could be some very good quality in terms of technical capabilities but what we were increasingly looking for were people who could combine that with the non-technical attributes that made them more employable. Some were outstanding but you had to look quite hard to find the best and that was something that got more difficult as the number of people in higher education grew and the number applying grew."

Smith also believes lessons have been learnt from previous recessions when it comes to graduate cutbacks. “There’s an awareness that things are going to get tough and we need to do something to moderate the way we bring people in. But if we overdo that, when things do get better we won’t be able to grasp business opportunities that come a few years down the line,” he says.

Once the economy bounces back, the future for graduate recruitment looks bright, Gilleard insists. He expects to see further changes in the way businesses use new technology in their recruitment processes, more emphasis on diversity and improved graduate development programmes.

“The war for the top talent” is set to continue, he concludes.

#### **What we learnt from the 1970s**

“We were always looking for transferable skills in our assessment centres and in our recruitment. They were at least as important as academic results. It’s not a new thing, but it’s new that academics are realising its importance.” *Keith Bell, former recruiter for ICI*

#### **What we learnt from the 1980s**

“There used to be separate graduate jobs at M&S for women (staff management) and men (commercial management) but by the 1980s that suddenly changed and everyone was considered for everything.” *Kate Orebi Gann, former recruiter for Marks and Spencer*

#### **What we learnt from the 1990s**

“This was a period where things were moving fast. The way we were describing jobs to graduates was becoming more difficult because we needed to describe jobs five years before they had been invented.” *Hugh Smith, former recruiter for BT*