



## Managing the difference

### Students, students everywhere

In line with the Government's wishes student numbers rise year by year. Indeed, the autumn 2003 figures tell us that nearly 380,000 students have just started full-time degree and HND courses. This represents an enormous pool of talent for the future, a great natural resource for graduate recruiters to tap in only three or four year's time.

If only it was that simple. It's true that student numbers are increasing, but there are enormous differences between courses, let alone issues such as the balance between the sexes. Take engineering as an example. The latest figures from UCAS show that about 21,000 candidates were accepted onto degree level courses, of which about 2500 were women. A considerable number, but there is clearly a big issue concerning women in engineering. However this is true of all science and technology courses. Despite all sorts of initiatives women still see engineering and similar disciplines as less desirable than Arts or social sciences. Partly because there is a strong perception that engineering and technology is male dominated, as indeed it is: and as a consequence that the 'old school tie' and office politics dictate who reaches the top. It is also the case that in the *long term* the requirement for working antisocial hours, often away from home, is less of a hindrance to men than women. The apparently large headline figure, even for men, also hides problems with individual engineering disciplines.

Engineering is a useful sector to look at because it puts in to sharp relief many of the issues confronting graduate recruiters. So practically if you are lucky enough to be a big name in construction or manufacturing engineering you will probably receive ample applications and recruit a good crop of young engineers. If you are less well known, or operate in a relatively unattractive part of the sector such as railway engineering, life can be considerably tougher. You're going to find yourself fighting hard to recruit the likes of civil engineers; and life well nigh impossible if you include companion disciplines such as quantity surveying in your requirements.

So, how's an organisation to find and recruit enough graduates of the appropriate calibre? In particular businesses recruiting graduates who will be placed on professional training programmes: the future 'intellectual capital' of the organisation.

## Young promise

Let's think about that pool of talent again. The numbers going through the HE process are large, but there's an even greater pool if employers start looking at those from age 16 onwards. This is the traditional hunting ground for modern apprentices, and increasingly for other organisations such as accountancy firms, to fast-track A-level students into 'graduate' trainee positions.

The accountancy example, while not particularly radical, is a good illustration of not slavishly recruiting graduates when other options are available. It also shows that organisations are moving away from the usual recruitment time frame; and this is perhaps the creative part, are offering recruits a head-start without the burden of student debt.

However back with our pre-university candidates, there are other methods of extending your reach back into to that important transition between school and what comes next.

### ARUP

Arup is a multidisciplinary design and engineering firm. A regular in The Times Top 100 Graduate Employers list, it's the top ranked engineering firm taking about 100 graduates each year. With many prestigious projects to its name it's a destination of choice for many. However this does not mean that Arup operates a passive recruitment programme, nor does it neglect the pre-university 'market'.

As Neil Shaw, the Graduate Recruitment HR officer comments: "Every year we run a structured work experience week for Year 11/12's, many of which go on to become sponsored students." Interestingly he adds, "there are also opportunities for gap year students to join as trainees and to work for nine months in a number of the Arup groups. We ask that candidates have a good academic record and be going on to university to study a relevant subject. At the end of the placement, students are assessed, some then join as sponsored students."

Arup also has a good reputation for getting its graduates professionally qualified and they seem to stay. As Neil observes, "of the graduates that joined Arup UK in 1993, 70 per cent are still with us!"

Providing good quality work experience during a gap year is obviously a powerful way of promoting both career and organisation. Ultimately there is also a connection between work experience, those (vocational) degrees that provide the best employment prospects, and graduates returning to a previous employer. Offering gap year placements is an effective way of attracting students back to the fold once degrees are completed.

Project work in schools, talks by recent graduates, the exposure to positive role models (such as female engineers), 'imagineering' events and so forth are all important in explaining what work is like and for projecting the image and values of the recruiting organisation. Even at this stage it should be recognised that the groundwork is being done with regard to future retention. That's because even the most basic questions often go unanswered, sometimes until it is too late. The issue for young people is in finding someone who can give up-to-date advice. In the more technical areas, teachers, careers advisors and parents either do not know, perpetuate less than useful stereotypes or portray an industry as it was 20 years ago.

The business of communicating with students at school, at the stage where they are having to make subject and career decisions constitutes a critical 'touch point'. If you like it is the start of the 'candidate relationship management' process: a formative period for prospective employees, *and* for the future health of your organisation. But you have to start as you mean to go on. If you start putting resources in at this point, you will need to continue. There is no point in blowing hot and cold at different stages in the recruitment lifecycle. The very people you wish to impress and encourage will be the first to spot the inconsistency.

## **It's good to talk**

Effective graduate recruiters set up a continuous and meaningful dialogue with students throughout their university career. This aspect of candidate communication is about far more than brochures, beer mats and campus brand managers. It's to do with conveying the spirit of the organisation and allowing students to make clear choices – where *appropriate*, in your favour. This involves telling it like it is, and managing expectations.

To make a positive choice you need the right information at the right time. That's why in a recent recruitment campaign for Balfour Beatty Rail we spent a long time just talking to prospective candidates. It sounds simple but many organisations are over reliant on printed material, websites and slick but ultimately inert media campaigns. Students need to actively decide whether they *can* do the job, whether they *want* to do the job, and if they *will* fit in to the organisation. And to get to the answer they need to be able to pose these questions of a real human being. That's because it's an iterative process, not just a simple exchange of information. The student who self-selects for the right reasons is a much better bet than a more academic colleague who is only seeking a job – not a career.

Those who self-select on an objective and informed basis are often superior interview candidates; and as they know what you want and what they can offer, are also likely to do better at psychometric tests, and the other exercises that comprise assessment centres.

### **Can't get enough?**

This technique is even more important when trying to attract students from 'non-cognate' disciplines. For example for the same Balfour Beatty campaign we found that it was impossible to find enough quantity surveying students. In consequence we set up a system for introducing those from numerate disciplines to the QS field. A tactic that involved *selling* the career and introducing prospects to the idea of studying for a 'conversion' degree. This worked extremely well and good candidates came forward from disciplines that certainly wouldn't have been considered before, such as Design. Why design? Well for one thing graduates from design and other courses that span the Arts-Technology divide are used to organising complex assignments, and have picked up many of the project management skills that are important in commercial activities such as quantity surveying. However it should be emphasised that this approach only worked because expectations were very carefully managed.

Naturally organisations also find that *morally* locking-in students through sponsorship, placement or internship programmes produces suitable candidates when you need them. Of course there are always those who will take the money and run. However actual work performance really is the best predictor of future work performance – as is willingness to learn. And you will only genuinely know about the latter if you have observed someone at work.

### **Bovis Lend Lease**

A good example of a company that recruits a significant proportion of its graduates through a sponsorship programme is Bovis Lend Lease. They recruit about 35 graduates from construction and engineering related disciplines, of which 20-25 will have been sponsored. Undergraduates on the scheme receive a monthly bursary and are provided with salaried work experience during the summer vacations and periods of industrial experience.

As Mirka Staskova of the Learning and Development Team at Bovis points out, "structured work placements are an integral part of the undergraduate development programme. The objective of placement is to generate rounded managers who are capable of managing every aspect of the construction process, irrespective of discipline." She also confirms the real pay-off of the sponsorship scheme, namely that "all management trainees who successfully complete both the industrial and academic elements of their undergraduate studies are guaranteed an offer of employment on graduation."

And Mirka's final words: "sponsorship gives us the opportunity to produce and mould our ideal graduates, ready to 'hit the ground running'"

There's no doubt that sponsorships are an ideal opportunity for trainees to assess whether the career options on offer are compatible with their long term aspirations, and for the prospective employer to address any career confusion. At a more subtle level 'sponsorship' programmes can also be focussed to reward the best prospects.

### **Rolls Royce**

As Chris Wright, the manager of Rolls Royce's Early Career Development Programmes, explains: "Rolls Royce does not offer a sponsorship scheme as such. We offer students placement opportunities, usually from their second year onwards, and some summer internships or possibly longer attachments. But what we do try and do is look out for talented individuals and offer a bursary in the final year."

This is an approach that works well for Rolls Royce because of the numbers they have in the system. To put it in perspective, across the business they take 70-80 interns each year for 3 to 12 months each; 30-40 vacation trainees and 60-70 graduates. These means that there are upwards of 300 'trainees' in place at any one time.

Getting up close with your future employees can at first sight appear to be expensive. However it can dramatically reduce subsequent recruitment costs and is a way of catching talent early. It may also sound rather arch to talk of candidate relationship management, but looking at the candidate/student as a 'customer', produces an important shift in perceptions. And it's an important one because it represents the start of the bonding process and of the student taking ownership of a career. This is something to consider seriously in a market where employment packages, and the work itself, varies little between competing employers.

### **What can you do for me?**

Having worked hard to recruit good graduates the next task is to hang on to them, or rather to make sure you retain the high potential people who are going to add value to your business. Sometimes this goes under the name: talent management.

It's an interesting expression, and however you define, it represents a concept that demands attention. But perhaps it's early days because in a recent large scale survey by Oxford Psychologists Press (OPP), the vast majority of the

HR managers asked acknowledged that there were key people in the organisation that they could not afford lose, that these people made a tangible difference to the bottom-line, *but* that they had no talent management strategy. Perhaps more worrying still, OPP found that most had no method of discovering talent that lay *undiscovered* in their organisations.

So what do we know about why people stay, why they leave and how to spot the high fliers? For graduates there has been considerable research, including the AGR's own Graduate Recruitment Survey, and from other independent sources such as the Institute of Employment Studies.

The picture is fairly well established, with graduate employers retaining about 80 and 85 per cent of graduates at the three-year mark, with the lowest retention rates in accountancy and professional services. Among a whole list of positive factors, surveys also seem to agree that organisations offering professional development, mentoring and career planning retain more graduates than those that do not offer a complete career development package. In addition graduates seem to be on the look out for interesting and challenging jobs, and for many, the opportunity of assignments abroad is another major pull.

The key question is whether or not it is possible to predict a graduate's intention to leave? If it was employers would at least have the opportunity of taking remedial action, if they wished. The latest research by the Bluewater Partnership suggests that it is possible to predict so-called 'intention to leave'. In a study with the recent graduate intake for Balfour Beatty Rail; Davis, Langdon & Everest and Messier-Dowty, there were clear links between a limited number of retention factors and whether or not a graduate was actively considering leaving.

In summary there are six factors that influence intention to leave. These are:

**Career opportunities:** whether a person feels that they are able to make progress within the organisation

**Nature of work:** predominantly whether someone feels as if they are able to demonstrate their full potential

**Training & development:** as mentioned, do graduates feel that there personal growth is being taken seriously

**Relationships at work:** do people feel part of the organisation and included in work groups or teams.

**Feedback & recognition:** whether a graduate feels rewarded for good work and treated in an equitable way.

**Work life balance:** the degree to which employers are seen as taking into account the necessity for a life outside work.

A questionnaire based on these six factors predicts staying or leaving intentions, and from an individual employers perspective, can also be benchmarked against others organisations.

In many ways retention is the flip side of the talent management coin. We can find out why people are content in their work role, or not; but to make the whole thing work we need to have a strategy for dealing with those that we *really* want to keep.

Of those that do have a talent management strategy, and from a different arena Tesco is a good example, the main lessons are:

**Look for talent** from the top to bottom of the organisation, and don't just concentrate on graduates

**Make the process (and strategy) transparent** so that people can see it operating and believe in it

**Give managers the responsibility and tools** to spot and nurture talent – make talent spotting an everyday activity

**Report back to the board** so there is a dynamic picture of talent within the organisation that can be used to forecast future needs.

### **Don't substitute pay for attention!**

Not everything can be fixed with a pay rise. Talent needs to be actively managed, through for example mentoring programmes, with the emphasis on getting the best out of good performers. This may be something of change of tack as in many organisations the top performers are thought to be able to sort their own problems out, and mentoring is aimed at those with obvious development needs. And don't stint on the calibre of mentors: sometimes it may be better to do something about the manager than lose a talented employee!

Employers should also take the view that the high potential *and* high self-esteem individual is a resource to be harnessed, not the sign of someone who will leave once a better opportunity presents itself. Crucially look for the fit between personal ambition and the needs of the organisation, and use it.

As for spotting talent, employers not only need to tune up their managers but to use methods such as development centres. These are a valuable way of producing action plans for key individuals, and of catching any hidden talent. For those who are used to assessment centres aimed at selection, the 'development' difference comes in the way that information is shared and used. Participants are given full and immediate feedback from interviews, psychometric tests & questionnaires, and any other exercises that are used.

The idea is that feedback during the centre allows new behaviours to be explored, plans to be produced - and crucially it facilitates career ownership.

The development centre can have a major role not only identifying and refining talent, but in finding the ideal fit between organisation and individual.

This can include lateral movement between management functions, an activity that some companies take very seriously indeed. Just consider what Mars has to say:

'Unlike other companies we actively encourage you to move across different disciplines throughout your career, so that you broaden your experience and understanding. It's quite feasible that you could start in Marketing and move across to Personnel via Research & Development and Engineering. As long as you have the desire and willingness to learn different skills, anything is possible.' *Mars Graduate website, 2003.*

The key issue is that the graduate recruitment process continues beyond hire. In a sense, we as employers must carry on recruiting our graduates at the level of values, beliefs and culture for as long as we retain them. And we are far more likely to retain the good performers if we have an active process of talent management, and present opportunities that can stretch individuals, while at the same time aligning their needs with our own strategic imperatives.

## **A happy ending?**

The moral of the tale is that while the number of graduates is increasing, this does not necessarily mean that the universities are producing enough of the right type. A situation that inevitably leads to employers having to compete with each other for the available talent.

One way of trying to get ahead of the game is to produce a more inclusive recruitment and development process. One that sees the student as customer, that stretches the time frame back into secondary education, whether you are a large or small organisation; and that acknowledges that an informed, 'self-selecting' candidate makes the best sort of applicant.

Needless to say, just as much effort must be put into the matching, retention and development process once graduates are recruited. Often they are treated as a rather volatile resource, but careful attention to talent management can help to retain key players and project the image of a forward thinking, focussed and fair organisation.

So the message is positive, it's just a question of *managing the difference*: for individual employees, and between you and your competitors.

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