



# milkround

Candidate Compass Report 2017



# Contents

<b>Executive summary</b>	<b>5</b>
<b>Introducing the Candidate Compass</b>	<b>6</b>
Our aim	6
The survey	7
<b>Understanding the perceptions of students and graduates</b>	<b>8</b>
<b>Assessing the confidence of students and graduates in finding their career path</b>	<b>8</b>
<i>Confidence levels of graduates from lower socio-economic backgrounds</i>	10
<b>Career choice influences</b>	<b>12</b>
<b>Understanding the alternatives to university</b>	<b>13</b>
<b>Concerns about graduate job prospects</b>	<b>14</b>
<i>Employer favouritism</i>	15
<b>The importance of work experience and internships</b>	<b>16</b>
<b>Soft skills – the disconnect between employers and candidates</b>	<b>18</b>
<b>Optimising your graduate recruitment process</b>	<b>20</b>
<b>Social mobility in graduate recruitment</b>	<b>21</b>
<b>Recruiting beyond the current parameters</b>	<b>23</b>
<b>Decoding graduate job descriptions</b>	<b>24</b>
<b>Graduate salary expectations</b>	<b>26</b>
<i>Assessing the gender pay gap</i>	27
<b>Expected company benefits</b>	<b>28</b>
<b>Reneging job offers</b>	<b>29</b>
<b>Thoughts for the future</b>	<b>31</b>



# Executive summary

“ Milkround’s Candidate Compass informs what the current job search experience is for students and recent graduates, and makes recommendations as to how, as employers, you can engage with and attract the right talent for your graduate roles. This unique piece of research allows candidates to make their voice heard and advise their potential future employers of their expectations and how they could look to approach their graduate recruitment in order to achieve successful onboarding of employees.

In this year’s Candidate Compass, we felt it important to spotlight the issue of social mobility in graduate recruitment. The report looks at the difference in experience and opinion of those who were eligible for free school meals in secondary school (FSM respondents) and those who were not (non-FSM respondents). This way, we can determine whether employers who are looking to secure a more diverse workforce should alter their approach to suit talent from lower socio-economic backgrounds, and can lend advice on how to best do so.



Francesca Parkinson  
Head of Marketing, Milkround

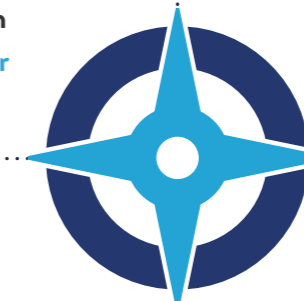
## Key findings from the Milkround Candidate Compass



**53%** received a job offer at a company where they completed an internship – **72%** declined the offer



**70%** believe it is acceptable to renege a job offer



**76%** of women expect a starting salary of £25,000 or less – **58%** of men expect the same



**71%** have found a job description confusing when applying for roles

# Introducing the Candidate Compass

## Our aim

Milkround has conducted the Career Confidence survey annually since 2012, starting at a time where candidates were facing a huge amount of competition and strict entry requirements when securing a graduate job or scheme. Still feeling the aftershocks of the recession that occurred in 2008, graduates were in heavy competition for roles and in some sectors the available vacancies were halved by 2012.

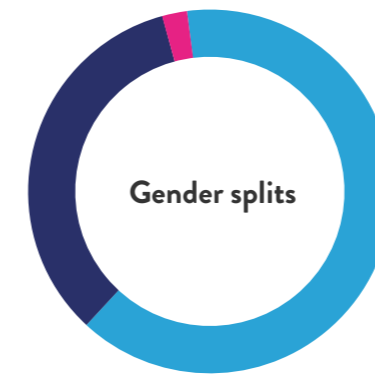
Nearly ten years on from the outbreak of the recession, 2017's graduate recruitment market favours the candidates, which has resulted in many employers struggling to fill their graduate roles and candidates suddenly being inundated with offers, causing a shift in the market and rise in renege offers.

This guide aims to inform employers on the current job search experience for students and recent graduates, covering subjects like candidates' confidence levels and future career concerns, along with advice on how to recruit beyond traditional parameters and optimise your graduate job descriptions. It also makes recommendations as to how you can ensure that you are engaging and attracting the right talent for your graduate roles.

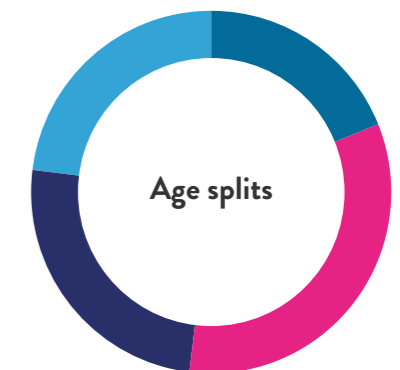


## The survey

5,319 Milkround users completed the Candidate Compass survey in April 2017. Unless otherwise noted, all statistics throughout the report are from the Candidate Compass survey.

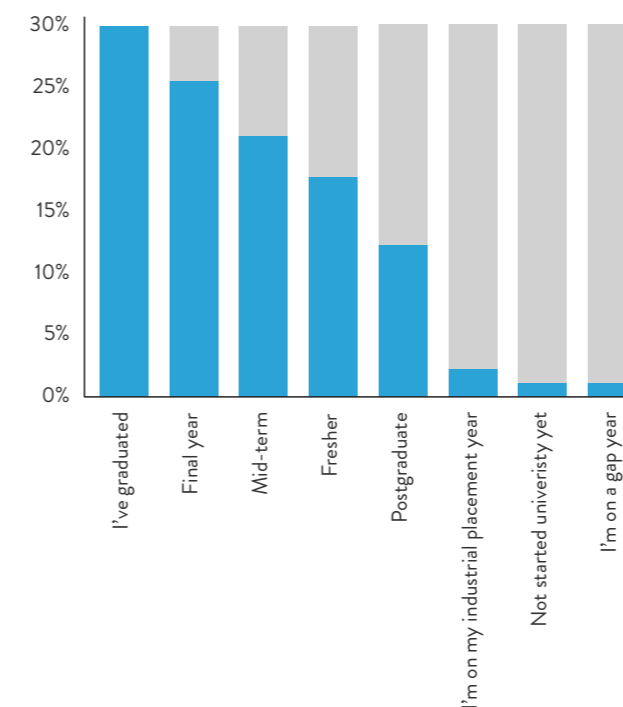


64% Females 34% Males  
2% Rather not say

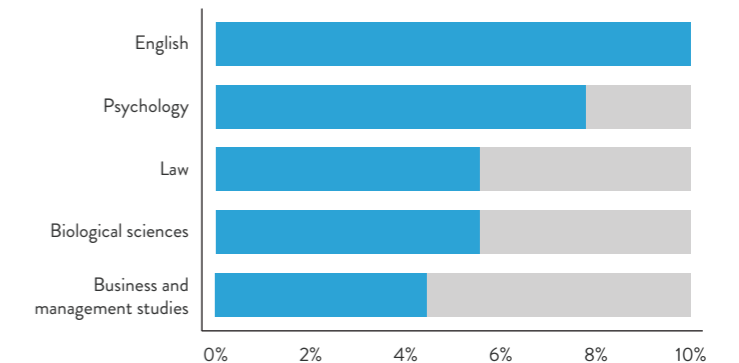


0% <17 19% 18-19 33% 20-21  
25% 22-23 23% 24+

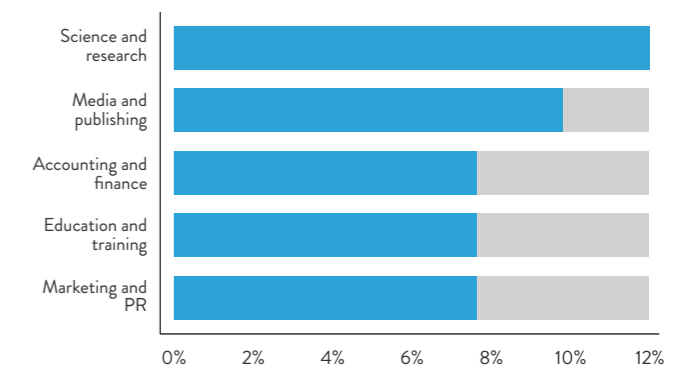
### Current university stage splits



### Most popular course subjects



### Most popular future career sectors



# Understanding the perceptions of students and graduates

This section focuses on how graduates feel about their future careers. What influences them when they are making this highly important decision? What are their concerns and main influences when choosing a career path?

We also delve into increasingly popular university alternatives and candidates' views on them, as well as the impact internships and soft skills have on graduate recruitment.

## Assessing the confidence of students and graduates in finding their career

The confidence levels of young candidates, in terms of their current and future career prospects, may reflect in what roles they apply for and how they present themselves as a potential employee.

**59%** of our respondents have the confidence to apply for a role at their dream company given the chance, meaning that **41%** do not yet have this level of confidence. When asked why, some of the reasons were:

“ I don't have enough skills or experience or reputation. ”

“ It's too difficult to get in. ”

“ There's too much competition for their roles. ”

These opinions point to three separate issues; candidates lacking confidence, candidates feeling that recruitment processes are too complicated, and candidates being under pressure from immense competition. These factors, and more, are preventing potentially suitable candidates from even applying to a role at the business they would like to join.

Half of students feel pessimistic about the economy, their debts from university, and university fees. However, **60%** feel positive about achieving a job after university, although this drops to **40%** if you specify securing a spot on a graduate scheme. This points to a solid level of confidence in the majority of current students, which infers that they feel prepared to approach employers for graduate opportunities in the future.



## Confidence levels of graduates from a lower socio-economic background

When focusing on the discrepancies between graduate respondents who were eligible for free school meals and those who were not, the confidence levels look different.

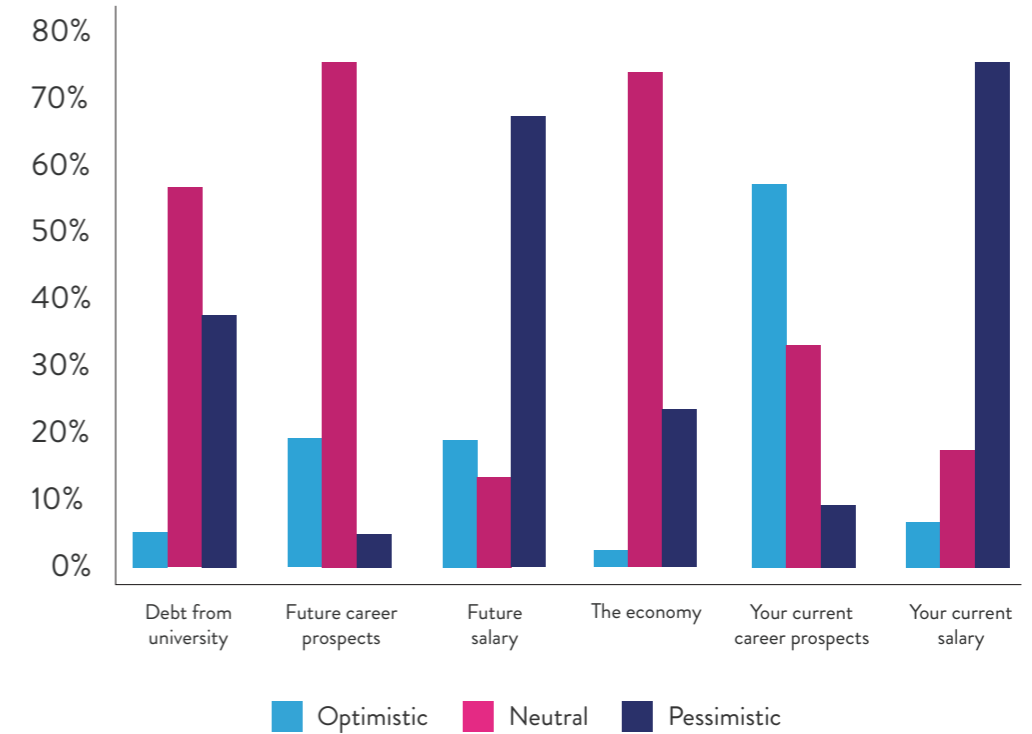
Those who were eligible for free school meals (FSM) were much more positive about their current career prospects than those who were not (**57%** and **40%** respectively). However, when thinking about their future career prospects, FSM respondents drop to **19%** feeling positive while non-FSM respondents are far more positive at **56%**.

Interestingly, non-FSM respondents are significantly more pessimistic about the economy at **54%** against FSM respondents' **24%**. They are however more positive about their future salary at **49%** versus their current salary at **29%**. Worryingly, **7%** of FSM respondents feel optimistic about their current salary and only **20%** feel optimistic about their future salary.

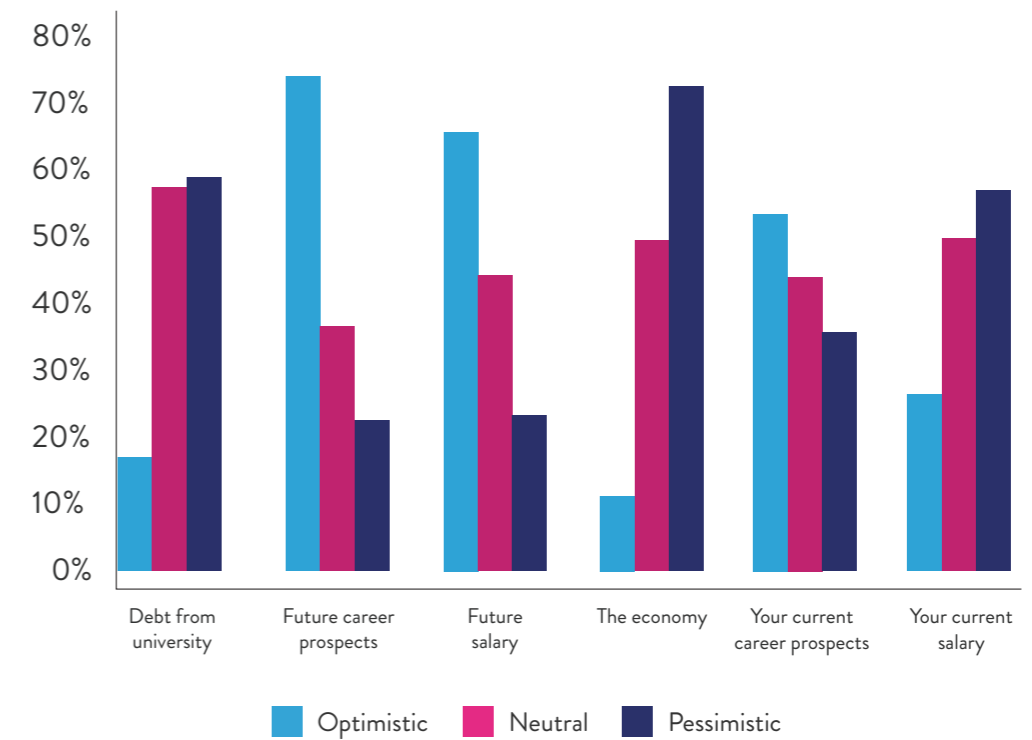
There are a few surprises in these results, however it does overall appear that FSM candidates are worried about their personal matters such as their salary and not very concerned with things like the UK economy, while non-FSM respondents place much more pessimism on the economy and optimism on their future career opportunities.



### Graduate feelings regarding the future (FSM respondents)



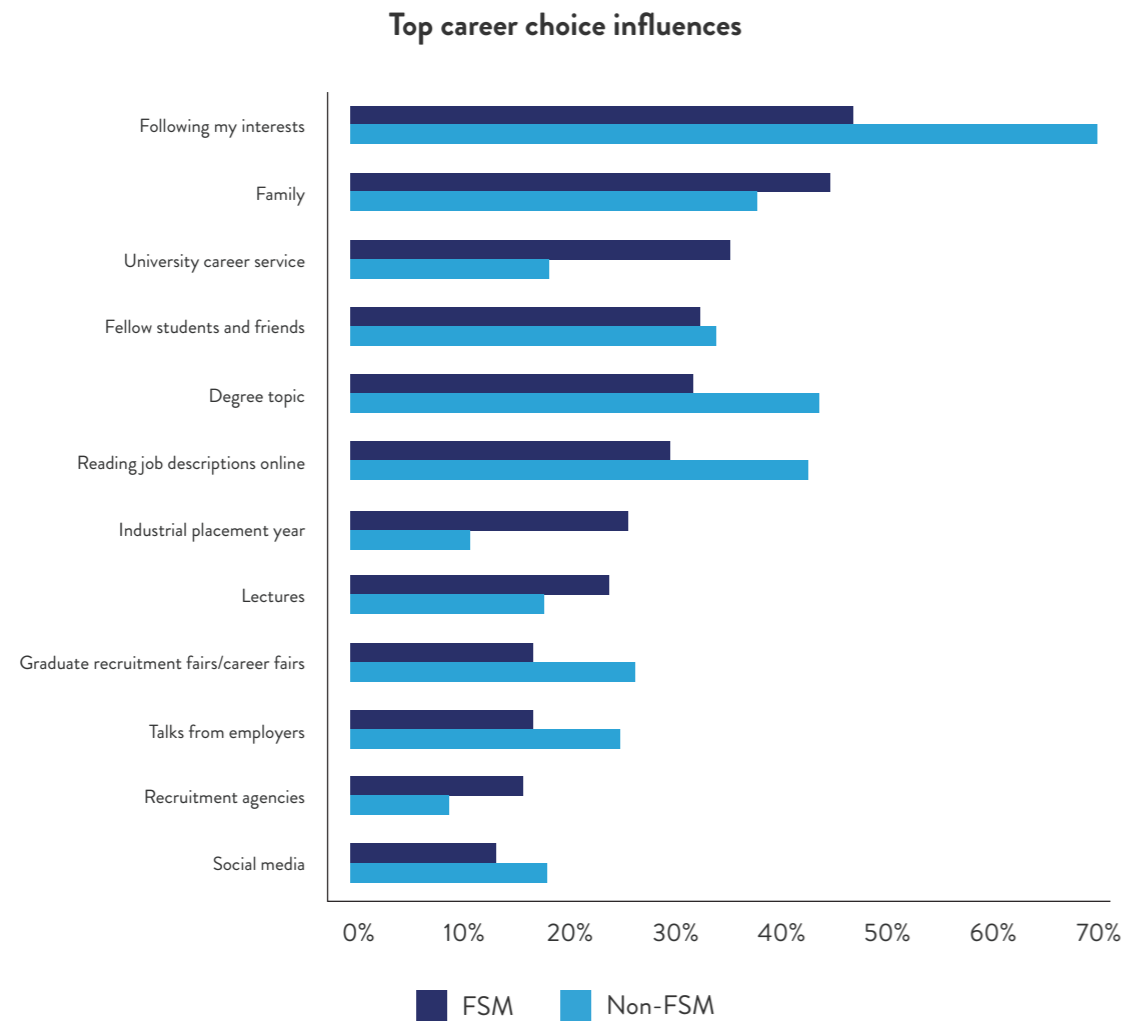
### Graduate feelings regarding the future (Non-FSM respondents)



## Career choice influences

Knowing what elements of their lives are influencing candidates' choice of future career is of high importance to employers, as it will allow you insight into the channels you can use to reach candidates.

So what do candidates perceive as their greatest influence when determining what their future career should look like? The majority of our respondents said they were following their interests (**60%**) with **38%** being influenced by their degree topic and **37%** by reading job descriptions online.



When breaking it down by FSM and non-FSM respondents, the results show interesting divergences. Beyond following their interests, FSM respondents were primarily influenced by their family, university career services, and fellow students. They were also much more influenced by work placements than their non-FSM counterparts (**24%** versus **10%**).

Non-FSM respondents followed their interests to a larger degree at **20%** more than FSM respondents, however beyond that their most significant influences were their degree topic and reading job descriptions online. They also put a larger focus on talks from employers and career fairs.

These results show that all of these elements hold value when trying to reach the graduate audience, however it does appear that those from a lower socio-economic background value external influences from a career/professional perspective such as career services, placement years, and recruitment agencies while their non-FSM counterparts are more likely to be influenced by their interests, friends, and degree topic.

## Understanding the alternatives to university

For the last couple of years, university alternatives have enjoyed a steady increase in popularity. The number of apprentices has risen from 871,000 in 2014/15 to 904,800 in 2015/16.<sup>1</sup> Higher tuition fees and a focus on work experience alongside education has resulted in an increasing number of young people looking for alternate career routes.

Our survey found that **28%** of the respondents considered not going to university, and out of these **25%** would have opted for an apprenticeship, a **3%** increase since 2016 which is due to factors such as the improved perception of apprenticeships, and the more diverse career paths available for apprentices.

University fees are more expensive than ever with universities across the UK now charging up to £9,250 per year,<sup>2</sup> which makes alternate career paths all the more attractive to young people who are keen not to accrue large amounts of debt at a young age. Furthermore, **82%** of candidates feel that employers favour candidates from certain universities over others, specifically based on the reputation and ranking of the university (**78%**). This may cause school students to feel that if they cannot join a top university, there is no point in attending at all.

Despite this, the majority of young people do not appear to be abandoning the idea of a university degree. In 2015-16 there were 2.28 million students at UK higher education institutions<sup>3</sup> and 904,800 were on an apprenticeship,<sup>4</sup> which shows that university is still the overwhelmingly popular choice for young people wanting to start their career.



<sup>1</sup> Source: Apprenticeship Statistics: England, Parliament UK

<sup>2</sup> Source: <https://www.ucas.com/ucas/undergraduate/finance-and-support/undergraduate-tuition-fees-and-student-loans>

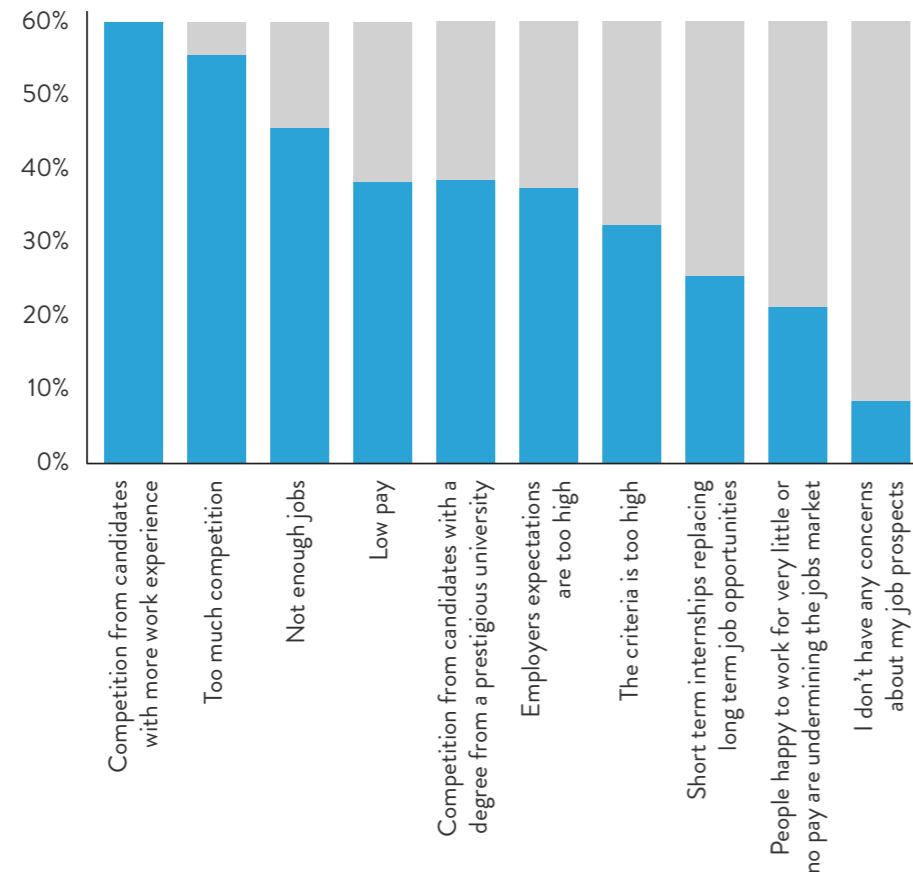
<sup>3</sup> Source: <http://www.universitiesuk.ac.uk/facts-and-stats/Pages/higher-education-data.aspx>

<sup>4</sup> Source: Apprenticeship Statistics: England, Parliament UK

## Concerns about graduate job prospects

While the current jobs market may favour graduates, they appear worried about elements such as competition, a lack of available jobs, and lower than desired salaries.

Candidates' concerns about future graduate job prospects



**60%** of our respondents state that competition from candidates with more work experience is their biggest concern. Additionally, **45%** were worried that there is a lack of available jobs, and **38%** were concerned they might have a low salary.

Our FSM respondents did not agree; only **25%** were concerned by competition from candidates with more work experience. Instead, they were worried about competition from candidates with a degree from a prestigious university (**+4%** than their non-FSM counterparts).

We also wanted to check in with the student audience and see how they feel about their current graduate job prospects. Overall, **58%** of our respondents felt positive, however our male versus female and FSM versus non-FSM comparisons proved very interesting.

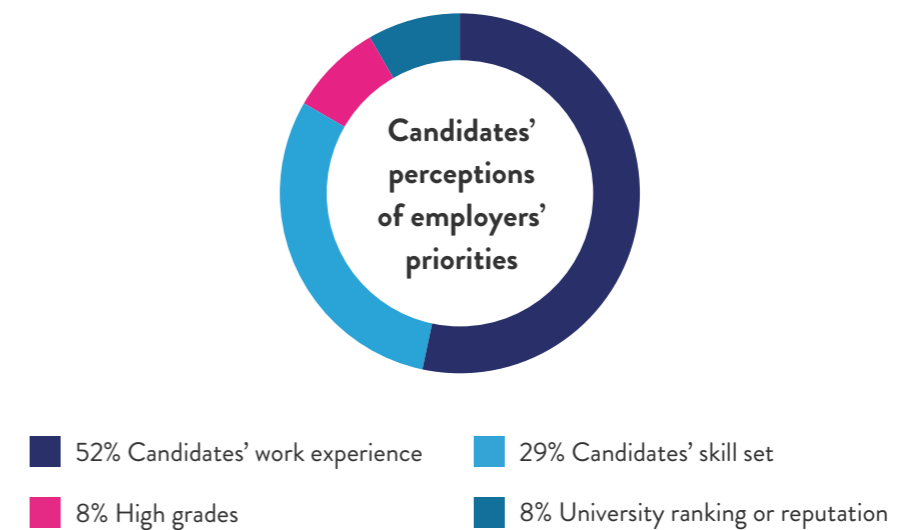
Only of our female respondents felt positive about their job prospects; **13%** less than their male counterparts. Their lack of optimism is reflected in their larger concerns in regards to competition and a lack of available jobs (**10%** and **11%** higher than their male counterparts, respectively).

Our non-FSM respondents feel more negative in regards to their job prospects compared to their FSM counterparts, at **56%** positive against their **65%**. Again, this is mirrored in their wider concerns, with **62%** of non-FSM candidates being worried about competition from candidates with more work experience compared to FSM respondents' surprisingly low **25%**.

The overwhelming concern for candidates in 2017 is competition. Competition takes many forms; it can involve candidates with more work experience, or with degrees from prestigious universities, or it can be down to a lack of available jobs.

## Employer favouritism

As we discuss the benefits of looking beyond the traditional graduate recruitment constraints (see *Recruiting beyond the current parameters*), candidates list what they believe employers let influence their hiring decisions.



We asked our respondents whether they feel employers favour candidates from certain universities, and an astounding **82%** said yes. There was a slight discrepancy between the genders, with **5%** fewer female respondents agreeing than male ones, and those who were eligible for free school meals and those who were not (**81%** versus **87%**). The majority believe that employers favour certain candidates based on the reputation of the university they attended, along with the university ranking, and its ranking for a specific subject.

However, candidates do believe other elements hold more importance with employers. When asked what aspect of a potential hire employers favour most, candidates responded:

- Candidates' work experience (**52%**)
- Candidates' skill sets (**29%**)
- High grades (**8%**)
- University ranking or reputation (**8%**)

Interestingly, a proportion (**8%**) of candidates do feel that employers favour graduates from certain universities. They believe employers favour skills and experience more, which would give candidates from a lower socio-economic background a better chance of achieving a graduate role, resulting in a more diverse talent pool.



## The importance of work experience and internships

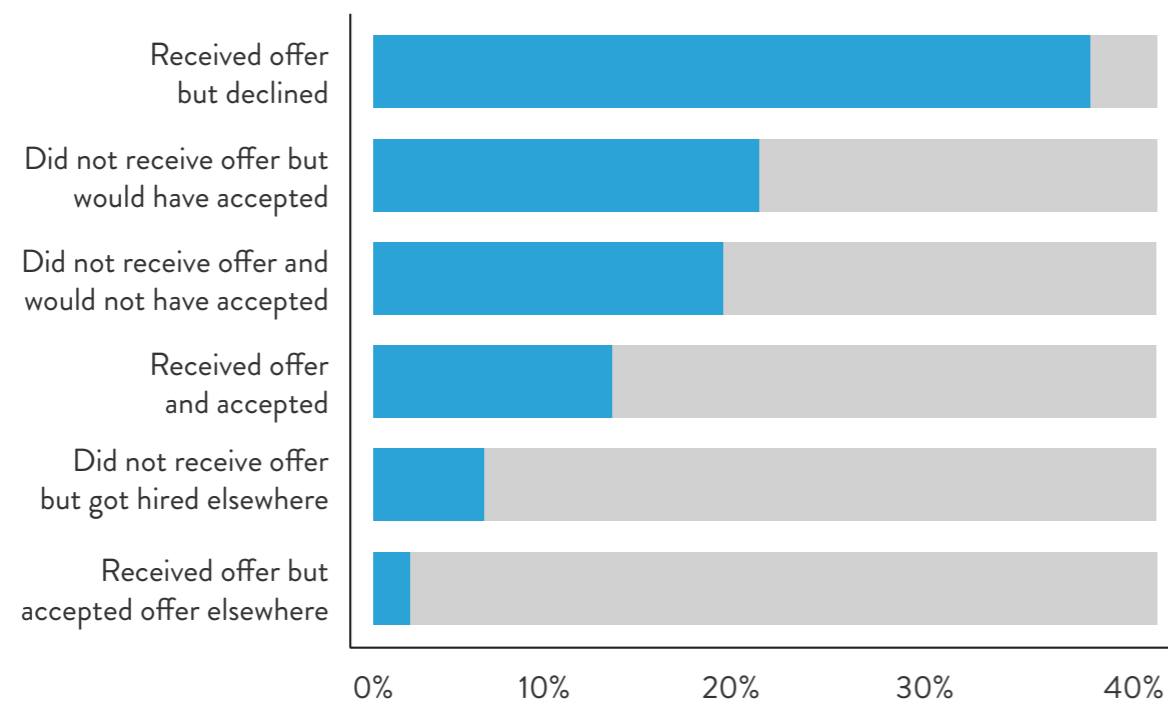
Most employers expect graduates to have some work experience before entering the jobs market, ensuring that internships remain popular with young candidates.

Internships are more prevalent than ever; **57%** of our respondents have completed an internship during their time at university compared to the **45%** that said the same in 2016.

The time they spend in the workplace is becoming more relevant as well, as three quarters of those who have completed an internship spent it at a company in the industry they would like to work in – a **12%** increase year on year.

Just over half (**53%**) of candidates received a job offer after completing their internship, however only **24%** accepted. A surprising **72%** declined and the remaining **4%** accepted an offer elsewhere.

Job offers received after completing an internship



It can be frustrating for employers who look to make hires from their intern pool; they may have spent the last weeks or months preparing interns for the role they knew the interns would be offered later, only to find that the intern who had previously expressed interest now has other plans entirely.

There are many reasons for interns declining job offers. They may have a specific employer in mind for after they graduate, they may have realised that the work your company does is not for them after all, they could simply feel it is not a perfect fit, and so on.

In order to attract interns to stay on as permanent employees, ensure your internship program increases their skills and employability and showcases your company as a great place to work.

## Recommendations on retaining interns:

- 1 Mentor your interns.** One way of assimilating interns into your business quickly is to set them up with a mentor. The mentor is responsible for introducing the intern to anyone they may need to communicate with, is the first point of contact for the intern, and gives constructive feedback on the intern's progress at your company.
- 2 Learn from your interns.** The idea behind reverse mentoring is to combine two people of different professional levels and have the more senior person learn from the more junior. It gives you fresh knowledge on how you are perceived and what you can improve and creates an environment of open communication between employees of different seniorities. Additionally, it makes the intern feel like they are being heard and like their opinion matters to the business, making them more likely to strive for and accept a permanent offer at the end of their internship.
- 3 Treat them like an employee.** Everyone wants to be challenged in the workplace, and interns are no exception. Responsibility breeds productivity, and by allowing interns to do more than make tea you are moulding what could be a valuable future employee. Furthermore, retaining potential hires is more likely if they have had a positive experience during their internship and feel not only part of the company's mission already, but that they have actively contributed to this.
- 4 Have open communication channels.** You may want to be clear from the start if there is a chance there will be a permanent job offer at the end of the internship and the future application process, or if the opportunity appears during. Doing this can let you know whether the intern is interested in that possibility, however do not make any promises you cannot keep.

## Soft skills – the disconnect between employers and candidates

Soft skills have rapidly become a much larger focal point of graduate recruitment, and the 2016 Association of Graduate Recruiters (AGR) Annual Survey identifies closing the skills gap as one of the top challenges that should permeate the industry over the next few years. This section will look at candidates' understanding of soft skills and how you, as employers, can ensure you measure soft skill levels effectively during the interview process.

According to the AGR, employers believe that skills such as commercial awareness, teamwork, interpersonal communication, business communication, and problem-solving should all be mastered by candidates before they embark on their search for a graduate role.<sup>5</sup>

Whilst these skills are expected to have been mastered upon graduation only **16%** of candidates believe they have problem-solving skills, and just **14%** claim to have self-awareness, and interpersonal skills. And as little as **7%** feel confident that they have commercial awareness and business communication skills.

Candidates also have different priorities than employers – only **23%** believed that employers think managing up is a hugely important skill to have, while, according to the AGR Annual Survey, **50%** of employers are currently training new hires on this skill and only **4%** of employers find that candidates already know how to manage up. However, candidates do see the importance of the more commonly discussed soft skills, such as teamwork (**66%**), problem-solving (**63%**), and interpersonal skills (**55%**).

Soft skills can be a grey area in recruitment. They are difficult to quantify and many candidates will have a firm grasp on soft skills without realising or being able to exemplify it. It is beneficial for you to determine what skillset a candidate possesses alongside their educational background and past work experience.

### Recommendations on assessing and encouraging candidates' soft skills:

1

**Commit to building candidate skillsets.** Graduates often do not come as a perfect pre-made package; employers need to commit to assist candidates in building the skillsets they need to be successful. If a candidate has shown great potential at interview or assessment, advise them on how to improve further. This can be done through joining communities, taking on projects and tasks, and by employers offering training days. Continuously working with candidates before their actual start date may also be a great deterrent to them renegeing on their job offers.

2

**Lend pre-interview support.** In April 2017, Amazon partnered with Milkround to host an insight day into their graduate schemes,<sup>6</sup> focusing especially on careers in operations. It consisted of a day at their headquarters in Central London, where 76 promising and carefully screened young candidates were invited to listen to top speakers and be involved with workshops, Q&As, and soft skill building exercises.

3

Beyond building brand awareness, insight days give access to candidates who are relevant to your company as well as keen on learning. The day itself is also an opportunity to develop their skillsets and display what skills you as an employer find most important in graduate candidates for the future.

4

**Set interview tasks.** Depending on what the advertised role entails, there is a number of tasks you can set the candidates that have been invited to interview. Written tests are useful for roles that involve large amounts of editorial work, in-tray exercises can show the organisational skills of your candidates, programming job interviews may want to include examples of candidates' work as proof of their skill level, etc.

5

**Innovate your assessment centres.** A popular element of graduate recruitment, assessment centres are perfect for streamlining the interview process and observing how your prospective employees behave in a group setting.

**When recruiting their graduate interns, leading gas and electricity provider npower have put a twist on the traditional assessment centre. Once applicants have made it past the first few parts of the process, including a written task, a quiz, and a video interview, the successful candidates are invited to an npowering weekend. This all-expenses paid weekend away puts a group of candidates together for a series of challenges where teams score points and a final winning team is awarded.<sup>7</sup>**

**This innovative approach to the assessment centre process not only allows the business to assess performance and select the right candidate for the role, it also reduces renegeing due to candidates being more engaged as they will be bought in and experiencing the ethos and culture of the company first hand.**

<sup>5</sup>Source: The AGR 2016 Annual Survey, Association of Graduate Recruiters

<sup>6</sup>Further information: <https://milkroundrecruiter.com/2017/05/05/amazon-leadership-and-operations-insight-day/>

<sup>7</sup>Source: <https://www.npowerjobs.com/graduates/npowering-weekend>

# Optimising your graduate recruitment process

This section will explore issues such as social mobility and widening graduate recruitment campaign reach to secure relevant talent. It will also look at how to ensure that your graduate job descriptions are as effective as possible, and what expectations graduates have in terms of salary and benefits.

Finally, we delve into the hot topic of renegeing on job offers; why are an increasing number of candidates accepting job offers just to decline later on, and how can it be avoided?



## Social mobility in graduate recruitment

Social mobility is becoming an increasingly important factor in graduate recruitment, with the government working with some of the UK's major employers to develop a new national standard set of measures of socio-economic background.

It's positive to see employers addressing their current graduate recruitment processes in order to determine what they could be doing to ensure a greater diversity in the socio-economic background of their employees.

**54%** of those from a lower socio-economic background considered not going to university – a far higher number than the **27%** who considered the same but were never eligible for free school meals. **47%** of respondents who were eligible for free school meals did not have a parent that attended university while **44%** of the non-free school meals respondents said the same. However, **30%** of non-free school meal candidates had both parents attend university as opposed to only **11%** of those who were eligible for free school meals.

When we asked what industry they are intending to work in, there were some significant differences:

Free school meal respondents			Non-free school meal respondents		
Position	Industry	%	Position	Industry	%
1	Construction and property	20%	1	Science and research	11%
2	Business and management	12%	2	Media and publishing	9%
3	Science and research	9%	3	Accounting and finance	8%
4	Accounting and finance	6%	4	Marketing and PR	7%
5	Media and publishing	6%	5	Education and training	7%

## Recommendations on achieving a more diverse workforce:

- 1 Look at grades based on context.** If a candidate has a high or average grade from an institution where the majority of students score lower grades, that shows a great deal of resilience and that the candidate works hard to achieve success. Assess the candidate fairly with all the available contextual information in hand, such as the possibility of them having received free school meals. This is crucial as, by GCSE level, there is a **28%** gap between children receiving free school meals and their wealthier peers in terms of the number achieving at least 5 A\*-C grades.<sup>8</sup>
- 2 Make use of blind interviews.** In 2015, the UK government collaborated with top employers such as Deloitte, KPMG, and the BBC to tackle address discrimination.<sup>9</sup> The result was a pledge to block out names on graduate job applications, reducing potential discrimination. This could be taken even further in the name of equality and diversity; by eliminating school, university, and location on CVs and applications, employers have a view of candidates' skills, experience, and potential rather than being subject to unconscious bias due to, for example, their personal background.
- 3 Focus on strengths and skills.** If the role you are recruiting for requires someone who is a self-starter and quick learner with great numerical skills, amplify this. You should also aim to educate the candidates you are hoping will join your business, and assist in building their skillset. Assessment centres will not only display what soft skills candidates already have, but also help them develop ones they do not already have but might be crucial in their graduate role.
- 4 Be clear about what is required.** Explain the entire recruitment process from the beginning, including any tasks, video interviews, or presentations applicants may need to prepare for. This way they can determine whether they have the experience and skills needed to succeed and whether they should apply.

**Barclays has a fantastic graduate recruitment strategy, and a useful online resource for those who are looking to apply.<sup>10</sup> They are clear on the time it will take the applicants, what is expected from them, the different forms the interviews will take, what skills they will need to show, and gives tips on how to prepare. They also make use of video interviews to screen applicants and outline how much time they will on average need to spend on each section of the process.**

## Recruiting beyond the current parameters

There are around 130 universities and university colleges in the UK and employers target an average of 20.<sup>11</sup> This leaves a huge untapped pool of talent that may include promising candidates.

To ensure that you are attracting the right talent for your business, we recommend looking beyond Oxbridge and Russell Group institutions and instead focus on individual talent, personality, ambition, and potential, in addition to educational achievements and past work experience.

With this in mind, you may need direction on how to reach relevant students at universities outside of your current strategy.

## Recommendations on reaching a wider graduate talent pool:

- 1 Make entry requirements clear.** Ensure that candidates know exactly what you would like to see from them. Reconsider the 2:1-and-above requirement you might currently have if you feel other elements may be more or equally important, such as soft skills, work experience, activity in societies, etc.
- 2 Engage on candidates' personal channels.** Look to new opportunities for you to connect with students and spreading brand awareness. Roughly 3.68 million 18-24-year-olds use Snapchat in the UK;<sup>12</sup> the perfect audience for graduate employers to target. Snapchat offers up the opportunity to promote your brand via geofilters, and when users start following your account you can communicate with them via short videos and images.  
  
Top brands like the BBC and Just Eat use WhatsApp to optimise their marketing strategy.<sup>13</sup> WhatsApp is another highly useful communication platform with 28% of UK adults using it daily.<sup>14</sup> It allows you to speak directly to candidates, and in real time. Invite them to message you with any queries they have and inform them of news or advice for joining your business.
- 3 Forge relationships with university societies.** You can target societies that focus on something relevant to your industry or the role you are recruiting for, and find suitable candidates to speak to.  
  
**If you have found great success working with university societies, why not be directly involved? By being a main sponsor of a society, you are putting your brand in front of hundreds of relevant eyes, ensuring that when the time comes for students to start searching for graduate roles, your company will already be well-known and carry positive connotations.**

<sup>8</sup>Source: Department of Education

<sup>9</sup>Source: <https://www.gov.uk/government/news/pm-time-to-end-discrimination-and-finish-the-fight-for-real-equality>

<sup>10</sup>Source: <http://joinus.barclays.com/emea/application-and-selection/>

<sup>11</sup>Source: The Graduate Market in 2017, High Fliers

<sup>12</sup>Source: <http://www.vertoanalytics.com/chart-week-whos-using-snapchat-uk/> and <https://www.ft.com/content/f781b74c-243f-11e6-9d4d-c11776a5124d>

<sup>13</sup>Source: <https://www.marketingweek.com/2016/06/09/how-vice-the-bbc-and-just-eat-are-using-whatsapp/>

<sup>14</sup>Source: <https://wearflint.co.uk/press-release-uk-social-media-demographics-2016/>

## Decoding graduate job descriptions

**37%** of our respondents claimed that reading job descriptions influenced them in their future career choice, and it was more prevalent than other more commonly discussed influences such as social media and careers fairs – meaning it should most definitely be viewed as a vital part of your recruitment strategy. Here we will look at how to optimise graduate job adverts and ensure they are sending the right message.

Unfortunately, **71%** of respondents confess to being confused by a job description at least once. This is a concern when you are recruiting – after all, how can you expect talent to apply for a role they do not understand?

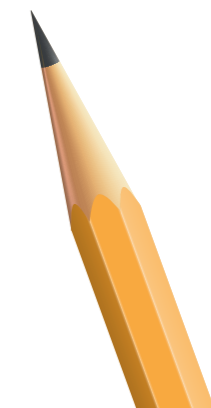
The main issues were:

- Job descriptions were too short to convey the role properly (**29%**)
- There was not sufficient information on how to move forward with an application (**23%**)
- The language was confusing (**19%**)
- The job title did not match the description (**15%**)
- It used abbreviations they were unfamiliar with (**14%**)



## Recommendations for writing a graduate job advert:

- 1** **Keep it clear and succinct.** Our respondents feel that job descriptions do not give them the information they need to feel confident that they want to apply or have the chance to be hired. Display the key information clearly so that students and graduates know what is expected of them
- 2** **Clarify what skills you require and which you desire.** Is it crucial that they have presentation skills? Would it be beneficial if they were skilled at Photoshop, but other skills are more important? Inform the candidates of which soft and hard skills are vital for their success in the advertised role, and which will just put them ahead of the competition.
- 3** **Be clear about what the role will entail.** Let applicants know what their exact responsibilities will be from the start. If you do not inform them what they will be doing, they may be unable to determine whether they are an appropriate candidate for the job.
- 4** **Include a salary range.** For many graduates, this is their first full-time permanent job. It is quite possible that they are unsure what an appropriate salary is or how to ask. If you list a salary range you are comfortable with offering, candidates will know that you are understanding of this and, hopefully, will also be pleased with the potential salary they could make.
- 5** **Avoid using abbreviations and jargon.** Many graduates will find it difficult to understand some of the industry jargon that is used every day. Use the most simplified language possible instead – the candidates can then focus on learning the jargon once they are hired. Avoid common job advert abbreviations as well as these too can cause unnecessary drops in applications from young candidates.



## Graduate salary expectations

Salary is of course an integral part of attracting and maintaining talent and it is beneficial for all businesses to know what kind of compensation current students and graduates are looking for from their future employer.

The median graduate starting salary in 2017 is £30,000, with **42%** of the UK's leading employers offering a salary of £25-£30,000.<sup>15</sup> Our respondents aim slightly lower than the average starting salary with **70%** expecting no more than £25,000 per annum in their first post-graduation role.

Salary ranges	Starting salary	Salary in 5 years
£20,000 or less	<b>28%</b>	<b>3%</b>
£20,001-£25,000	<b>42%</b>	<b>11%</b>
£25,001-£30,000	<b>20%</b>	<b>21%</b>
£30,001-£35,000	<b>6%</b>	<b>21%</b>
£35,001-£40,000	<b>2%</b>	<b>14%</b>
£40,001-£45,000	<b>1%</b>	<b>10%</b>
£45,001-£50,000	<b>1%</b>	<b>6%</b>
£50,001-£60,000	<b>N/A</b>	<b>6%</b>
£60,001-£75,000	<b>N/A</b>	<b>3%</b>
£75,001-£100,000	<b>N/A</b>	<b>2%</b>
More than £100,000	<b>N/A</b>	<b>3%</b>

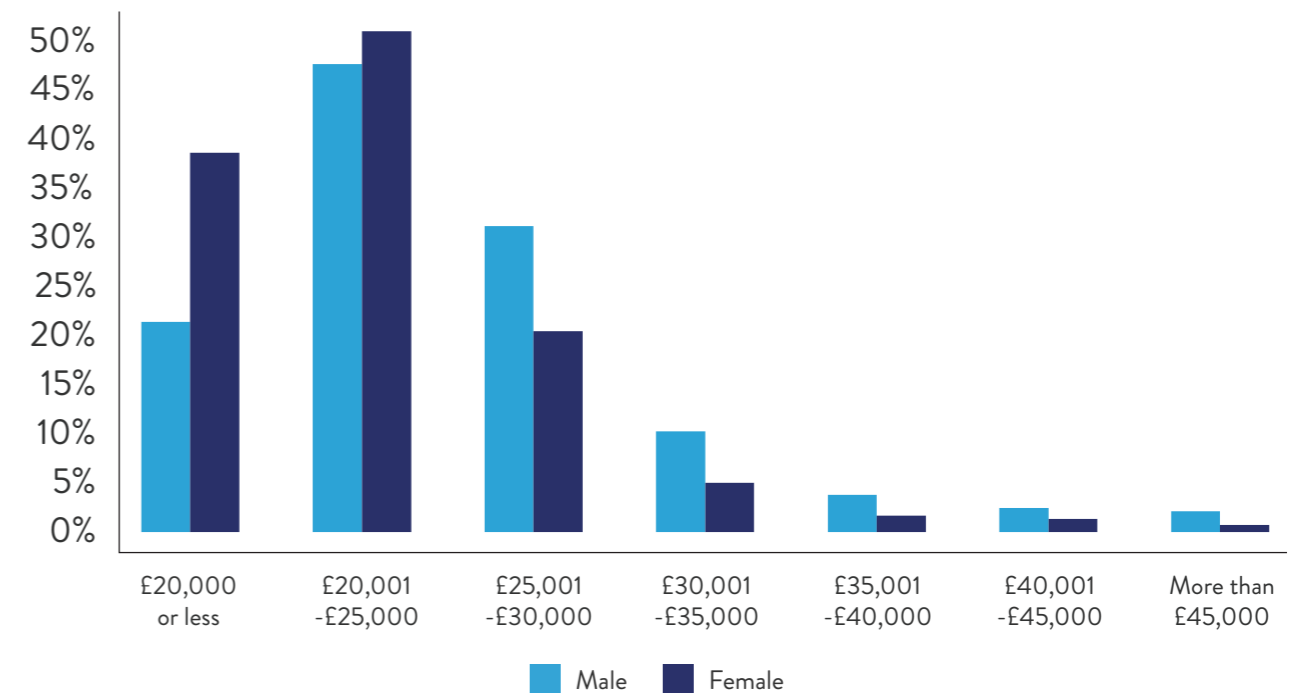
## Assessing the gender pay gap

When analysing data on graduate salary expectations, we identified a significant discrepancy between the salary expectations of male and female candidates.

Over a third of female respondents expect a starting graduate salary of £20,000 per annum or less, while only **18%** of their male counterparts expect the same. Furthermore, only **17%** of female respondents would like a starting salary of £25-£30,000 while over a quarter of the male candidates want the same.

This is especially concerning, as the gender pay gap tends to increase with each year of employment – five years after graduating, women earn an average of £6,500 less than their male counterparts.<sup>16</sup>

Research indicates that women are less likely to negotiate for higher salaries than men, however they are also less likely to earn a raise and, if they do, their raises tend to be smaller than those of their male counterparts.<sup>17</sup>



<sup>15</sup>Source: [https://www.highfliers.co.uk/download/2017/graduate\\_market/GMReport17.pdf](https://www.highfliers.co.uk/download/2017/graduate_market/GMReport17.pdf)

<sup>16</sup> Source: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/573831/SFR60\\_2016\\_LEO\\_main\\_text\\_v1.1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/573831/SFR60_2016_LEO_main_text_v1.1.pdf)

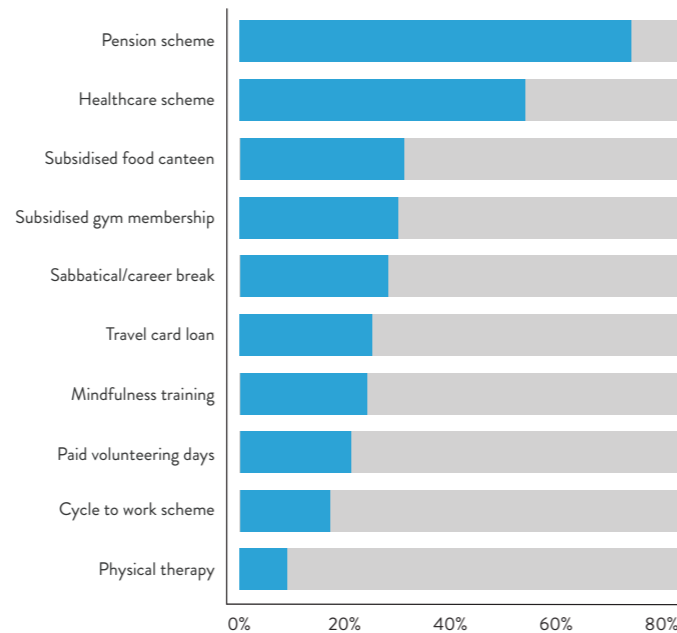
<sup>17</sup>Source: <https://www.cfa.harvard.edu/cfawis/bowles.pdf>

## Expected company benefits

More than a third of those in work admit perks and work benefits are amongst their top consideration when deciding whether to accept a job,<sup>18</sup> meaning you should be encouraged to offer benefits that will attract the talent you are targeting.

Our respondents were asked what benefits they would expect a graduate employer to offer.

Benefits candidates expect employers to offer



“ I’ve never had a job that offers any of these, so I would be surprised if one did. ”

When asked if they would like to add any benefits to the list, popular items were flexible working and childcare support, but a vast number of respondents claim that they do not expect any additional benefits from their employer in addition to a salary.

“ Many of these I wouldn’t expect, but would take into account. ”

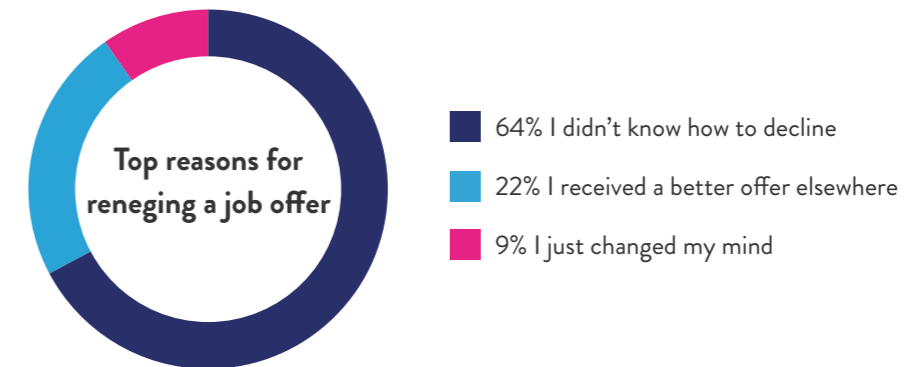
“ I would never expect anything more than being employed. ”

This shows a surprisingly low level of expectation from these candidates, implying that all they want is a great opportunity and a decent salary.

However, if you are aiming to secure top talent you should still endeavour to offer high quality benefits to your employees. To a final year student who is deciding between a few different job offers, great benefits could well be what tips the scale for your offer and lands you the candidate.

<sup>18</sup> Source: <http://www.independent.co.uk/news/business/news/google-asos-airbnb-20-best-perks-benefits-uk-employers-a6938716.html>

## Reneging job offers



We are increasingly hearing about the prevalence of renegeing. Here we will take a closer look at what makes renegeing a job offer different from declining a job offer – and how to approach a declined job offer as something positive.

Reneging is the practice of candidates accepting job offers only to change their minds before their start date. They then either contact the employer to let them know, or, in extreme cases, fail to show up on their first day.

This is obviously a setback for employers. The recruitment process can be long and gruelling, and by the time you have secured the perfect candidate you will not want to spend additional time and money on finding a replacement, often at late notice.

Surprisingly, **70%** of our respondents believe that it is acceptable to renege on a job offer. Interestingly, while we often assume that candidates renege on offers because they received a more attractive offer elsewhere, only **22%** said that was their reason. The most prevalent reason for candidates to renege was that they do not know how to decline (**64%**).

We often misunderstand the motivations behind candidates making the decision to renege, which is, of course, bad practice. Many are not hoarding large numbers of offers, accepting a few, and then cherry picking the one they actually want to be their next career step – they are just lacking the confidence and knowledge as to how to appropriately communicate to their potential employer that they do not believe they are the right fit.

Due to the rising number of instances of renegeing, graduates have been labelled picky.<sup>19</sup> However, the more likely reason is that today’s market belongs to the candidate and for the first time in a while, many graduates can take their time and decide between their, sometimes numerous, job offers. **34%** of our respondents have declined a graduate job offer; a **16%** increase on last year. Furthermore, **27%** of these respondents have declined two offers, which is **9%** higher than 2016.

<sup>19</sup> Source: <http://www.independent.co.uk/news/education/education-news/picky-university-graduates-turn-down-record-number-of-top-jobs-a6818271.html>

## Recommendations for reducing the risk of graduates renegeing:

- 1 Engage with the candidates.** When we asked our respondents what services they would like to have between accepting their job offer and their first day on the job, the most popular choices were a visit to the workplace before their first day (**28%**) and open communication with their future line manager (**26%**). Both options reflect a wish for involvement and communication with their future employer, and that show there is value in keeping in touch with graduates regularly.  
  
KPMG offer their graduate recruits a selection of services before their first day, such as a Smart Contact within their business area which can give any advice the graduate might need, invitations to New Joiner events, and an open invitation to visit the office to familiarise themselves with it.<sup>20</sup> This open and regular contact should ensure that their graduates are switched on and eager to start working at the company.
- 2 Give them time to think.** Some employers are guilty of offering candidates the role over the phone and expecting an answer right away or within a short period of time. By allowing the candidates some time to mull things over and assess whether this is the right role for them you will end up with far less drop outs at a later stage.
- 3 Assess their current situation.** Ask whether they are in the process of applying to other roles, and potentially how far along in the process they are. This gives you an overview of where your company stands with the candidate and whether they could be at risk of renegeing.
- 4 Normalise declining an offer.** As mentioned earlier, the majority of respondents renegeed because they were unsure how to decline. By taking the stigma of declining a job offer away, candidates will feel more comfortable declining if that is the right choice for them. Do this by sharing the process of what they should do if they change their minds; outline when and how you prefer candidates to decline offers in order to prevent them renegeing later on.

## Thoughts for the future

“ With 5,319 of our student and graduates lending their experience and opinions to this guide, it is an extensive view into young minds and what their hopes are for the future and their career.

By asking our audience directly, we hope that the veil of miscommunication will be lifted between employers and students and graduates. After a significant amount of time at the proverbial steering wheel, employers must now take a step back and listen carefully to what the talent they are looking for are expecting of them.

So what are they expecting? Today's students and graduates want a realistically high starting salary (average of £20-£25,000 per annum), job descriptions that clearly show what their day-to-day experience will be without any unnecessary business-speak, and open communication with their future employer until their start date. They do not expect extensive benefits, being happy with fair pension and healthcare schemes.

On the issue of renegeing, a shocking **70%** of our respondents believe it is a fair thing to do. Rather than simply acting in an unprofessional and disrespectful manner, it appears the majority (**64%**) of those who actually had renegeed did so because they did not know how to decline. It is easy to forget that these candidates are so young and many of them will not know what the polite and professional thing is to do when faced with this, until now, not very common issue.

We at Milkround believe that the Candidate Compass will be a helpful companion when you plan your recruitment strategies, and look forward to working with you to attract the right candidates for your graduate roles.



**Sarah-Jane McQueen**  
Head of Sales, Milkround

<sup>20</sup> Source: <https://www.kpmgcareers.co.uk/graduates/how-to-apply/our-offer>



To discuss your 2017/18 graduate recruitment campaigns,  
please get in touch with us today.

[www.milkround.com](http://www.milkround.com)

[sales@milkround.com](mailto:sales@milkround.com)

020 3003 4000

milkround

