

# Disparity Between Employer and Graduate Expectations

## Skills

Graduates tend to prioritise the development of soft skills, a consensus supported by Deloitte's conclusion that 'soft skill-intensive occupations will account for two-thirds of all jobs by 2030'.

Conversely, employers believe in hiring based off hiring specifications and a skillset which combines both 'soft' and 'hard' skills.

- TestGorilla: **76%** of employers use skills-based hiring, with nearly 55% using role-specific skills tests.
- McKinsey: 'Hiring for skills is **five times** more predictive of job performance than hiring for education'.

## Stability and Flexibility

Forbes: 2024 graduates list stability as the most important factor when considering applications (**76%** of respondents), above a high starting salary (**71%**).

One of the biggest competitors graduates face today is generative AI:

- In May 2023, IBM outlined their plan to replace **7,800** jobs with AI.
- Goldman Sachs: **300 million** jobs could be threatened across the US and Europe in coming years if 'generative AI delivers on its promised capabilities'.
- SHL: With AI replacing entry-level jobs, companies are planning to hire **5.8%** less graduates in 2024.

# Top Line Trends and Challenges from our Early Careers Practice

## Recruitment Processes

A 'detailed briefing on the opportunity' is the most important factor graduates consider when applying to an organisation (79%).

### Communication and Feedback

- **46%** of graduates were given feedback after taking assessment tests.
- Only **41%** were satisfied with the detail of that feedback.

### Long and Complex Processes

- Only **49%** of employers explained the purpose behind their assessments.
- **63%** of graduates are not satisfied with their candidate experience.
- **73%** of graduates claim that other people's bad experiences with an organisation would put them off applying to that company.

## Economic Trends and Concerns

### Uncertainty amongst Employers

HR Magazine: **57%** of UK businesses are hiring fewer graduates in 2024, due to tighter hiring budgets and stretched resources attributed to the wider economic environment. LinkedIn's 2023 Global Talent Trends Report found that YoY hiring rates remain down in a sample of 20 countries: in the UK, rates were down by **24%**.

### Uncertainty amongst Graduates

Forbes: **58%** of graduates are pessimistic about the economy and its effect on their lives, up from 49% last Autumn. **20%** of graduates believe student loan assistance should be part of their benefits package.

### Salary Issues

Moloney Search: **67%** of graduates worry that they will not earn enough to cover their basic expenses, and **71%** are 'afraid of making ends meet'. FE News: Dissatisfaction with pay has become the second most common reason for graduates quitting their roles.

## Further Education

### Tertiary Education

We are in a decade with the **highest amount** of enrolment in tertiary education than any other decade with higher education being knitted into the very fabric of society as well as a key part in ideas of progress and mobility.

### MBA's and Employment

Henley Business School Africa note that over **50%** of MBA students who completed their studies from 2011 onwards were still employed by the same company.

- **75%** who were sponsored are still employed by the same company.
- **60%** of graduates who were not sponsored by their employer have moved to another.

## Mid-Career Focus

Instead of hiring at the very top and the very bottom, organisations should start hiring **at all levels**, with a focus on the promising cohort of mid-career professionals that can help to not only fill this gap with outstanding talent, but also address retention issues.

**The reality is talent development is a perishable commodity.**

It becomes increasingly important to engage in a healthy re-evaluation of how high potentials can be **retained** by a company, and whether companies are looking for high potentials at the **right level**.

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### Challenges at the Graduate Level

#### Retention

Companies are only retaining **72%** of their early career staff, down from **79%** in 2011.

#### Pay

In 2022, **40%** of young professionals were unhappy with their pay compared to 2021 (**28%**).

#### Career Advancement

At this stage, many are eager to develop and grow their careers, if companies fail to provide clear career paths and growth opportunities, they will struggle to retain top talent. According to Gallup, **60%** of millennials stated they are open to a different job opportunity, **15%** higher than non-millennial workers.

#### Inclusion and Wellbeing

Aon stated that by 2025, Gen Z will be more than **25%** of the workforce in OECD countries.

Achievers Workforce Institute 2022 report states **66%** of employees sought new jobs in 2022 with work/life balance being the number one reason.

### Mid – Career Talent Programmes

With falling graduate retention rates there is a renewed focus on mid-career professionals.

Professors in Wharton's Management Department, explain mid-career professionals are less likely to **job-hop** and also have more experience being **resilient** in a professional environment while also contributing knowledge gained from their former professional years into growing and developing a given organisation.

Additionally, external hires are held to a **higher standard** as they are brought in at a higher cost to the business.

By the time people are in their 40s, the average time spent at a company becomes **eight** years. Given this, if a company's priority is ROI and retention, then they should wait to hire people with 3-4 years of professional experience, as that is the time that people start to **'stick'**.