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## Is your graduate selection differentiating the 'best' from the 'rest'?

"Water, water everywhere nor any drop to drink"<sup>1</sup> – a similar thing could be said about the thirst of UK companies for graduates. Whilst 200,000 graduates enter the jobs market each year and applications continue to rise, employers are struggling to identify and retain the right calibre from this vast pool.

At the danger of sounding sensationalist, each year organisations run the risk of having one in ten of their offers rejected (losing £3,000<sup>2</sup> on each offer), 43% of their graduates leaving before 20 months<sup>3</sup> and contributing to the £112 million<sup>4</sup> wasted on graduate campaigns which fail to deliver quality return on investment. With figures like these, it is apparent that selection and retention is a real and expensive issue.

So while competition for the best applicants increases, recruiters work ever harder and given the propensity for graduates to apply to multiple employers, what can recruiters do to minimise those risks and select the very best?

### Be clear about what you are looking for

All too often, organisations don't have the time to create that clear picture of the graduate talent they need and the right criteria against which candidates are to be measured. Although unrealistic to expect all graduates to become the next executive team, the building of leadership pipelines is still a key objective for many graduate programmes and yet just 42% of companies measure potential for future leadership<sup>2</sup> as part of their selection.

And graduate recruiters have an even harder job as the rate of change accelerates, leaving us trying to guess the skills required for jobs which don't yet exist and the technologies needed which aren't yet invented. Gone are the days when business strategy predicted what the future might hold, raising the question of how do you define what will be required when you can't be certain of what is needed? Perhaps the key to sharper selection therefore lies in understanding how strong performers in your organisation demonstrate fundamental attributes required for navigating through uncertain times, such as learning agility, motivation, intellect, emotional intelligence and adaptability. Mike Vessey at MDV Consulting explains: "What it means is that the graduate

recruiter needs to work in an even more joined up way with the business and talent function. If companies understand their likely organisational challenges, they can look back at those high performers and graduates who have stayed with them and map out the attributes that have made them successful. These can then be linked to what they need more of in their graduate hires, informing their assessment criteria and selection decisions."

### Spotting hidden stars with more insightful screening

Despite much discussion on the use of new technology such as Situational Judgement Tests and video interviewing, many companies still rely on methods such as CVs and application forms to initially screen candidates. Research by Saville Consulting found that CVs were still used by 80% and application forms by 66% of recruiters<sup>2</sup>.

Whilst a well-designed application form may successfully meet the organisation's initial sifting needs, there is a trade-off to be aware of as applicants view these forms as cumbersome and valuable resource is sacrificed processing them. In what graduates see as a numbers game, they are inclined to 'blanket' apply to several companies with similar information, hoping this will get them get a lucky draw.

Where the application form is used as a simple 'tick box' exercise, ineffectively probing for information on the competencies sought, it's unlikely to be an effective sifting mechanism. This 'uncontextualised' screening results in wasted time and money on the running of assessment centres and interviews for candidates who might have been identified as unsuitable.

Nerve is needed to recognise the limitations of this approach against its widespread use and indeed, many companies, whilst still using an application form are at least shifting the focus to give candidates the opportunity to present their motivations and suitability for the role. This is also being followed through by a move from competency based telephone interviews to an emphasis on motivations and strengths.

Anne Charvonia from Bloomberg describes their focus on motivation during screening. "Early on, we carry out a

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*telephone interview which is very much directed on the individual's motivations to work for us. We have a strong corporate culture and this helps us clarify the underlying reasons behind their desire to work here. It enables us to gauge early on whether the person is likely to fit in with the relevant department, team and company culture."*

Many companies still believe that successful graduate recruitment relies heavily on intellect and academic results, with the result that academic achievement remains their key sifting criteria. This prevalence is highlighted by 70% of the UK's leading employers still requiring applicants to meet a minimum standard of a 2.1 degree<sup>5</sup>. Whilst these are backward-looking measures of what a candidate has achieved, they are not strong predictors for how they will successfully perform in role. A more valid predictor of intellectual capacity, is cognitive testing but usually used early in selection without an accompanying balanced view of personality or motivational drivers, companies can place too much weight on this one criteria. With diversity the key challenge for 61%<sup>6</sup> of recruiters, this emphasis on past academic performance in particular, impacts on their ability to achieve a more diverse intake. Applicants with stronger emotional and motivational aptitude but who for reasons such as socio-economic background may not have achieved academic excellence, are hindered. Interestingly within the last few months, two major graduate recruiters have moved away from using academic performance as a key screening measure because candidates from disadvantaged backgrounds were losing out. EY and PwC have stopped using degree classification and UCAS scores for screening.

Raphael Mokades, Managing Director of Rare, which works with organisations to help them hire exceptional people from diverse backgrounds agrees that more intelligent approaches to selection are needed: *"We work with many candidates from disadvantaged backgrounds who have tremendous potential and have overcome significant economic and cultural challenges, but selection processes often do not consciously take account of these factors, meaning they are overlooked by companies."* Rare has created an algorithmic solution which plugs into a client's applicant tracking system. The Rare Contextual Recruitment System (CRS) enables candidates' academic records to be assessed in the context of how they were achieved using aspects such as post-codes as socio-economic indicators.

Many firms such as lawyers Clifford Chance, along with most recently, accountants Deloitte, have introduced 'blind CV' screening and interviewing to counter bias towards trainee applicants who may have impressive academic pedigrees quoted on their CVs. Partners carrying out interviews are not given information about university or schools attended or indeed any information from the candidate's application, save their name. This enables the interview to focus on finding out, through appreciative enquiry, about the individual's personality, strengths, enthusiasm and suitability for the role. Interviewers and candidates do have to adjust to the lack of prior information to reveal more during the interview. Clear communication before and at the start of the interview helps to counter preconceived ideas based on more traditional approaches.

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### Augmenting selection with personality assessment

Although over half (54%) of recruiters would like more information on a candidate's environmental and cultural fit and just under half (46%) want to understand the person's match with corporate values<sup>7</sup>, only a quarter use personality assessment in their selection<sup>4</sup>. Those that do, often incorporate this at later stages such as within their assessment centre. Using a valid tool early on to distinguish those individuals displaying the right characteristics and emotional intelligence can prevent unnecessary time being wasted for the company and candidate.

Gabby Parry, CEO of Saville Consulting UK, explains: *"There's often an argument that behavioural profiling is too expensive or time consuming. However, without objective data, how do you know who is best suited to your role, organisation and culture and who will have the drive, motivation and resilience to be successful? This data also provides interviewers with a clear structure to explore and probe an individual's strengths and potential development areas. Companies using behavioural profiling are also able to assess applicants across different work streams based on their best fit."*

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### Improving the effectiveness of assessment centres

Assessment centres seem here to stay although recruiters highlight them as their key area for improvement<sup>7</sup>. Used by 69% of recruiters<sup>2</sup> as an integral element of the selection process, companies continue to rely upon these as they use less management time and are better predictors of whether a candidate is up to the role compared to other more traditional methods such as a standalone interview. However, inviting candidates to an assessment centre is by far the most expensive part of the process with conservative costs estimated at between £300 and £500 per candidate. It is commonplace for companies employing large numbers to run many consecutive assessment centres until they fill their quota of suitable candidates. Widely varying take-on ratios, in some cases only two of 12 candidates<sup>2</sup> indicates that this approach does not deliver the value sought. The ideal scenario is that all people brought forward to a centre should stand a really good chance of an offer. The centre's objective should be to accurately identify those with the greatest potential and best fit whilst giving candidates an insight into the company and the role, such that they cement their commitment for joining.

In years past, the design and implementation of assessment centres was typically carried out by business psychologists but current day practice regularly sees their development led by the human resources team. This may achieve cost savings and even enhance the realism of the experience, but it can be argued this is at the expense of introducing broader factors which may have resulted in a decline in behavioural focus and a reduction in the predictive validity and therefore effectiveness of the assessment centre.

Too often, time and cost pressures consign a review of the assessment centre to 'back stage' in preference to reviewing other elements of the recruitment process in favour of the 'quick wins'. But much can be done inexpensively and simply to improve the assessment quality, whilst keeping the realism of the exercises: redesigning the Centre's matrix in order to better align the criteria being measured with exercises which give the most opportunity to observe key behaviours; putting greater effort into enhancing assessor skills not just with initial and refresher training but through better challenging and coaching at the Centre itself. Alongside this, simply improving the assessor guidance on what

behaviours and evidence to look for and providing regular benchmarking of ratings will achieve more consistent decisions.

Additionally, The British Psychological Society's 2015 standards on the design and delivery of assessment centres, recommend that arithmetic approaches (eg averaging) be used instead of previous consensual methods to determine the overall candidate rating for selection decisions. This has proven quite controversial amongst commentators.

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And yet some companies who are clear that assessment centres will not positively reinforce their employer brand or give their candidates the desired engaging experience. For example, applicants to law firms value the opportunity to meet the partners and so in firms such as Travers Smith, recruitment is aligned more closely to partner time and engagement. These firms have taken the decision to seek more effective results over efficiencies by investing more upfront time for senior leaders to interact with candidates. Mike Vessey, explains: *"Experience shows that one size does not fit all and companies can't rely on generic methods. They need to consider how their approach strengthens their employer value proposition and what factors may be letting them down. The hidden costs of recruiting individuals who do not perform to expectation and/or leave sooner than expected are considerable and so organisations may want to make the deliberate decision to focus on effectiveness in their recruitment at the expense of cost efficiency."*

A magic circle law firm told us, *"We have found that not only do our partners want to engage with the candidates at an early stage but the graduates also appreciate the exposure and engagement with our partners. This is also the best way for us to deliver our brand and values to prospective employees who may well be our future partners. We consistently get feedback that candidates value this approach."* Similar partner / owner led employers also wish to be heavily involved, and at a very early stage, in the selection of the next generation.

### The candidate experience

The recruitment journey experienced by graduates too often leaves them feeling 'done to' rather than 'done with' which can result in the refusal of offers late in the day -

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55% of employers saw up to 10% of their candidates turning down offers<sup>2</sup>. Just recently, one company resorted to giving £1,000 to candidates reaching the final interview as a sweetener to stay engaged<sup>8</sup>. Even more compelling for companies to get the candidate experience right is the changing employee market arising from Generation Z graduates entering the workforce. As Mike explains: *"This group is demanding a far more interactive approach than previous generations. This includes a wish for access to senior management and constructive feedback, with a clear vision of how interesting work experiences will be delivered. Organisations will need to think quite differently about how they deliver this if they are to compete for this talent."*

With much discussion about the use of gamification but little implementation in reality, the principles behind this approach could be more widely applied to the candidate experience. At the heart of gamification is engagement, offering non-monetary ways to engage and reward by appealing to the individuals intrinsic motivators. Pursuing more inspiring exchanges, letting candidates see their progression along the way, providing reflective feedback during the various stages and clarity on how their profile compares against others, all makes for a better two-way process.

No matter how innovative or unique it may be, the selection approach and candidate interactions still need to match the corporate culture and build the desired employee value proposition. Mismatches between what the candidate believes they are walking into and what is truly delivered once hired will only lead to retention challenges.

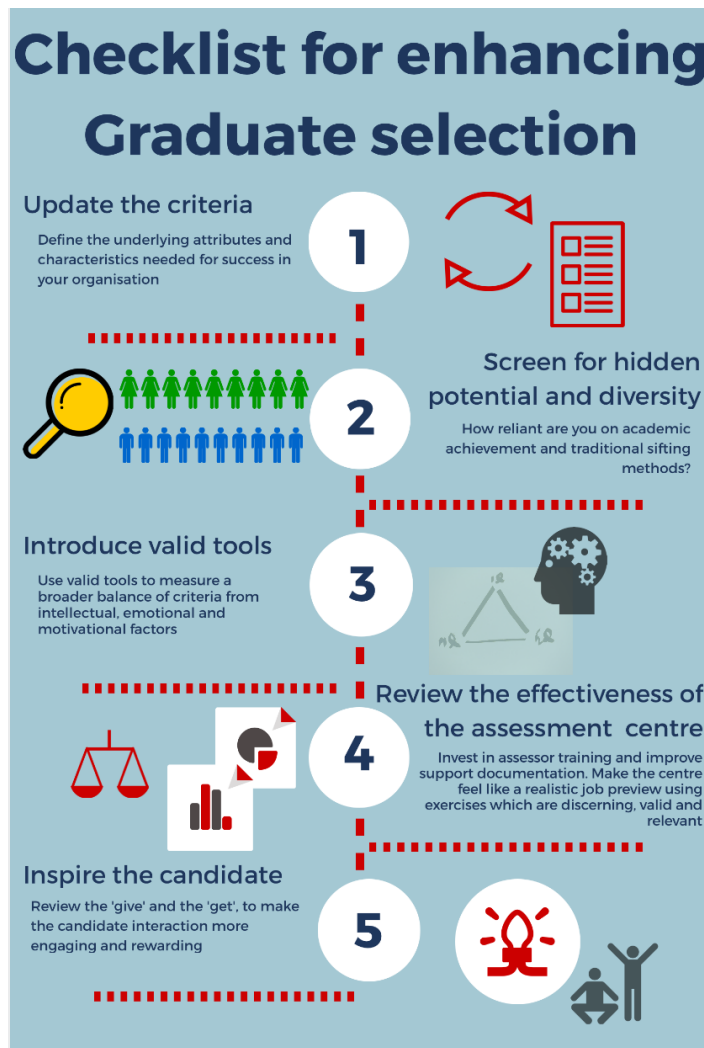
### Evolving the best approach

With graduate recruiters feeling like hamsters spinning a never-slowng wheel, and candidates desperate for a personalised experience, where should organisations invest their time and money when reviewing their selection process? A good place to start might be with the end in mind, examining whether graduates are actually being hired with the criteria needed. Analysing the candidate funnel to identify what stages are not working will bring to the fore where there are imbalances between efficiency and effectiveness.

Whether undertaking a radical overhaul or making incremental improvements it is worth bearing in mind that the changing job market is making traditional

approaches obsolete whilst still at the core of any approach is the engagement of tomorrow's employee.

Our checklist gives some helpful suggestions to inform the selection process review.



### Sources

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