

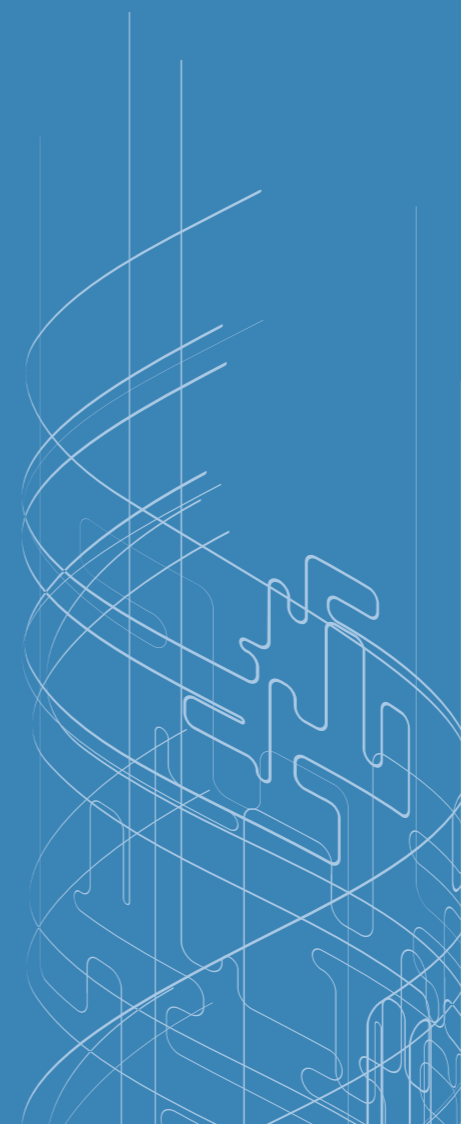
Tomorrow's Talent:

The changing face of entry-level talent



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Introduction

Never before have organisations been so reliant on their talent to remain competitive and achieve business success. And for many organisations, entry-level talent makes up a significant part of that workforce. Yet regardless of industry, employers face similar challenges in attracting, developing and retaining this specific pool of talent.

Awareness of the issues facing both employers and tomorrow's talent is high, but how are organisations practically seeking to address these? To what extent is it expectations and perceptions that need to be addressed, as opposed to fundamental, underlying issues? What are the issues that require urgent

attention for organisations to successfully meet business strategy, not only now but long-term?

Following the 2013 'Tomorrow's Talent' report¹, Experis has partnered with ThirtyThree, a leading communications agency, to produce a series of client-led research papers. We have focused on the future talent of organisations at entry-level - including school leavers, interns, apprentices and graduates. Our goal is to examine the challenges facing employers to identify common themes and implications.

Each of our research papers will explore entry-level talent issues against the backdrop of four wider megatrends.

These trends have been identified by ManpowerGroup as creating a significant shift in today's world of work:

- 1 Demographics and the Talent Mismatch
- 2 Individual Choice
- 3 The Rise of Customer Sophistication
- 4 Technological Revolutions

Deepening our understanding of these trends will enable us to raise important questions, with a view to identifying solutions that are both practical and adoptable.

This initial whitepaper focuses on key themes in relation to Demographics and the Talent Mismatch.

I trust you will find the insights gathered both thought provoking and relevant to your own organisation. We encourage you to join the conversation using #TomorrowsTalent to share your own experiences on the issues raised.

Geoff Smith
Managing Director
Experis UK & Ireland



¹ Our previous report involved an online survey being sent to more than 45,000 graduates, of which 319 responses were collected. We were interested in building a picture of graduate experiences of university and the workplace (with particular focus on IT talent), and then invited comment and debate from a small panel of industry experts including universities, employers and other stakeholders. Our findings moved us to widen the scope of our research to entry level talent in general, and speak to employers directly about both the challenges and opportunities they are currently facing.

A word from ThirtyThree

There are two sides to every story. Entry-level talent is no exception.

On the one hand we see, and these interviews have confirmed, that there are pockets of exceptional talent available to employers who are able to position themselves properly and deliver on their promises, offering a world-class experience to school leavers and graduates alike that will stand them in good stead for long and fruitful careers.

But there are also those candidates who require rather more polishing and a not inconsiderable amount of support before they can contribute in a way that employers hope and expect. With regards to who takes responsibility for this additional shaping, there is clearly a balance to be struck.

Individual candidates no doubt have

a large role to play, but for those who do not know what they do not know, it would be disingenuous to suggest that they can manage their own development, and expectations, without any external steer.

The outputs of this work are thought provoking as they raise questions as to the future of early years talent in the UK.

They highlight the need for expectations to be managed on both sides of the employer/employee relationship as well as some of the future risks to UK employees and the wider economy, should we not start thinking a little less like an island.

Whilst it is far easier for a business to be global and to *think* globally, than it is for an individual, there is nonetheless a demand from employers that graduates, in particular, develop more global

mindsets. How they do this is part of the debate. Indeed, if all graduates and school leavers demanded fully global careers, organisations would be overwhelmed with talent planning that would inevitably be inefficient and deliver poor return on investment.

But it is clear that, alongside having their expectations managed, the expectations on graduates themselves are often for them to show experience and a perspective that is difficult to come by at such a young age.

And, if anything, what this report shows is that responsibility for delivering that learning and experience sits with a far wider group of people than just those in talent acquisition.

Universities, for example, could play a much greater role not only in developing core skills, but in helping to create a

generation that is more globally mindset. Those of us who have the requisite experience should also be ensuring that sharing, mentoring and teaching is part of our own roles, as much as it is part of a formal talent development scheme.

There are many options to consider, but if tomorrow's talent is to live up to everyone's expectations, then it is everyone, including us, that needs to consider how our thinking needs to change.

Phill Lane
Head of Brand & Insight
ThirtyThree LLP



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Demographics and the Talent Mismatch

In the Human Age, the workforce continues to experience transformation, influenced by external workforce trends. Global research conducted by ManpowerGroup¹ has confirmed the talent mismatch facing organisations today is intensifying from both demographic and economic movement.

As the working age population declines, economies recover and emerging markets rise, the pressure to find the right skills is arguably going to be tougher than ever before.

Employers seeking more sophisticated skillsets to drive organisational growth are faced with a limited supply of skilled resources, requiring a change in

approach. Addressing skills shortages has led to an increase in global talent mobility and cross-border recruitment. At the same time, recruiting individuals who can be taught needed skills on the job and providing ongoing training and development of existing talent is vital to ensure the entire workforce can remain job ready and productive.

The focus of our research was to explore the impact of demographics and the talent mismatch on entry-level talent in the UK. We aimed to uncover which trends were relevant on a local basis and examine how some organisations are meeting the diverse challenges and opportunities presented to businesses today.



¹ Navigating the changing world of work - ManpowerGroup

UK Implications

For many employers, hiring entry-level talent is a given, something that's always been done. Each has a different approach and philosophy however as to where entry-level talent should fit within their organisation.

While some organisations only bring in people who have already cut their teeth in industry - specialist consultants, those that thrive on selling expertise - even they have to start somewhere. A large proportion of companies in the UK find themselves, for a variety of reasons, grappling with the thorny question not of whether, but of how best to recruit and develop, for want of a better phrase, 'raw talent'.

Is it best to hire straight from school, from university or, perhaps, once a competitor has taught them a thing or two first? The end goals, likewise, are equally as varied.

Hiring graduates as a cheaper resource

For some organisations, hiring people at the start of a career is an economic decision - graduates and school leavers can simply be a cheaper resource and, where that is the main focus, return on investment is easy to measure.

But if it's just about costs, UK graduates are likely to lose out by being more expensive than both school leavers and workers in developing markets - both of which offer cheaper alternatives.

Worryingly, with more than 400,000 successful university applicants in the UK¹ in 2013 such a focus would surely pose a

risk to their chances of meaningful employment?

Even for school leavers, and a record high of over 860,000² who are now participating in apprenticeships, a cost-only mindset brings them into direct competition with overseas employees. Global employers must think globally - and that includes wage arbitrage.

Hiring graduates as part of long-term strategy

For many employers, their concern is not only about immediate performance and contribution but a goal that will take far longer to realise and is far harder to define - developing potential into future leaders. Leaders, hopefully, of the business that has hired them and invested in their development; though, as we shall see, evidence of this is less easily available than might be hoped for.

Hiring graduates as a way of taking responsibility

And there are some for whom hiring people into entry-level roles is something they simply feel they should do - whether to benefit the industry as a whole, or the individual employees in question.

Martin Healiss - HR Director of CSC, the IT & Professional Services business confirmed it was:

"a way of rebalancing the workforce and bringing in new skills and infusing the organisation with young talent."
It was also recognised that it provides "the genuinely altruistic feeling that it's a good thing to do."

Within these considerations lie many more questions that are not easy to answer.

Do employees thrive more on formal or informal schemes? Are apprentices more loyal than those hired from university? With the speed of industrial development in fields such as IT outpacing the speed of curriculum development, should universities be playing a different role in educating talented young people? To what extent should students themselves rethink their own part in this drama?

This paper forms the opening salvo in a series of discussions that consider some of these issues.

Alongside other reports, those from Lord Browne³, Professor Sir Tim Wilson⁴ and the CBI⁵ it won't in itself solve them; but it will hopefully shed some further light on these topics and wake from their slumber those who still believe that hiring at entry-level is nothing more than a given for their organisation.

¹ UCAS - August 2013
www.bbc.co.uk/news/education-23725540

² These figures show that a record 858,900 people participated in apprenticeships last year, almost 370,000 more than in 2009/10
www.gov.uk/government/news/new-figures-show-record-numbers-of-apprentices

³ The Browne Review: Securing a Sustainable Future for Higher Education

⁴ A Review of Business-University Collaboration - Professor Sir Tim Wilson - Feb 2012

⁵ CBI: First Steps
www.cbi.org.uk/business-issues/education-and-skills/

Addressing the persistent skills shortages

Addressing the graduate population specifically, surveys conducted year after year¹ have found a gap between the expectations of UK graduate recruiters and the availability of skills within the graduate talent pool, a gap that manifests itself in persistent shortfalls in recruiters' ability to fill hiring targets.

Given the supply of talent versus formal graduate programme places², which offer a small number of positions relative to the graduating class, the inability to fill even these places suggests a real mismatch between what many graduates have and what many employers want.

For those we spoke to as part of this report the notion of this being so black and white - some graduates being good

and some not good enough - is, of course, oversimplifying.

But, across the board, our conversations did confirm that even at entry level, firms are suffering from a shortage of suitably skilled talent, in particular across the more technical disciplines, such as IT and Engineering.

Stephen Isherwood, CEO of the Association of Graduate Recruiters (AGR), noted that frustration existed for many trying to recruit these specific skills:

"They just can't get the right quality of people coming through who can do the work they need."

This view was reiterated by Capgemini's Head of Talent, Applications Services UK, Anouska Ramsay:

"There aren't sufficient numbers of IT graduates coming out of universities who actually have any IT background that's suitable for us ... we can't get the volume of graduates."

In addition, a recent YouGov poll³ reported that 50% of employers think that "all or almost all graduate recruits started work without vital attributes, such as team work, communication, punctuality and the ability to cope under pressure⁴."

Although this finding was less alarming for the AGR ...

"Well graduates are never work ready because they are 21 years old and they have never worked for a considerable period of time!"

... it nonetheless highlights the frustration amongst employers as to the level of competence, in both hard and soft skills, within the UK graduating class.

¹ AGR Survey Summer 2012 - 32.3% of respondents failed to fill their graduate vacancies in 2010-11.

² In 2013, though 401,540 applicants were successfully admitted to university, graduate vacancies offered by members of the AGR totalled just 18,913 - or 4.7%. If a third of places are unfilled, then just 3% of graduates were successfully recruited onto such schemes.

³ YouGov poll of 635 employers - September 2013

⁴ Telegraph www.telegraph.co.uk/education/educationnews/10306211/University-leavers-lack-the-essential-skills-for-work-employers-warn.html

Growing your own experts?

Employer frustration regarding the level of competence at entry level has led to some employers engineering their own solutions and taking it upon themselves to grow their own talent.

“We can’t get the volume of graduates. So we have to say, if we can’t do that, let’s grow our own.” **Capgemini**

It’s a point that Stephen Isherwood, CEO at the AGR, was able to sympathise with in a former role with Safeway. Indeed, there, he felt a responsibility not only for the

organisation itself but for contributing to the talent needs of the wider retail industry. “[We thought] if we don’t do it as an industry, then who else does it? We’ve got to create future talent.”

But a decision to ‘grow your own’ leads to more questions:

What is it that organisations are really trying to grow? To what extent does the responsibility lie solely with organisations themselves to do that? And how long will it take? Will it actually be more fit-for-purpose than the current system? The perceived talent shortage and the need for highly specific technical skills reinforce a commitment to growing specific skills for many firms that has existed for many years.

It’s something of a core focus for National Grid, according to their Head of Talent Acquisition UK, Paula Sprayson:

“Grow Your Own is traditionally and strategically the most important strategy that we have. Traditionally we have always grown our own with all the pros and cons that that brings.”

One of the underlying issues in generating graduates with skills that are

fit for businesses seems to be the relative difference in pace between curriculum development and the development of new skills, ideas and even industries¹.

A shortage of suitably skilled workers is causing some employers to look further afield. An example is that of electrical engineers in the UK.

One AGR member, due to shortages in the UK, recently hired 40 electrical engineering graduates from Spain - not due to salary differences, legislation or language skills - but simply because they couldn’t find the *technical skills* in the UK graduate population.

And yet, electrical engineering graduates in the UK have one of the highest unemployment rates - there is a glut of them. On probing further, two issues were highlighted in a LinkedIn discussion amongst members: poorer development of all round skills and a technical education that is not fit for purpose. The AGR noted:

“The reasons why people said they were struggling to fill the vacancies was that the academics running the courses were of an older generation so weren’t teaching the right stuff that was relevant.”

Similar stories have been reported on IT courses:

“They are not generating the right technical skills and they are not keeping up with the modern times.”

¹ Our 2013 Tomorrow’s Talent report highlighted the need for universities to work more closely with industry professionals (particularly in relation to rapidly changing technological industries such as IT), to ensure the most up to date skills were reflected in the courses. (pg 23,24).



Time taken

Widening the talent pool

If suitably skilled graduates with 'relevant degrees' can't be found, some employers have widened their talent pool by changing their approach to the academic background required.

For example, EY acknowledged that their UK graduate talent pool is not only geared towards attracting graduates with a Masters in Accounting and Finance or Majors in Economics, but to graduates from other academic backgrounds (e.g. liberal arts), who share common purpose however in being clearly aspirational and wanting a career in business¹.

Capgemini has also broadened its strategy when recruiting in STEM disciplines.

"Is it just STEM? [why couldn't] somebody who does classics and language and art actually be a good programmer?"

It's an approach that Cavendish Nuclear, the UK's largest supplier of services to the nuclear industry, has used at experience-hire level.

Alistair Holt, Head of Resource Management, told us,

"When we take on people from other industries, they tend to be more fully rounded, e.g., those coming from automotive could be good at production engineering and we can 'nuclearise' them, we can turn them into what we need."

Across all sectors, there is a clear demand, not only for better technical skills, but these broader, more rounded candidates with the "right combination of intellectual ability and broader soft skills."

"You need to be resilient, you need to be flexible, you need to understand the commercial reality of the organisation that you operate in ... I think the best kind of employability course is giving people exposure to experiences that give them that attitude." **AGR**

Developing these technical skills, alongside the broader employment behaviours is a challenge many employers are prepared to take on, but there are, as noted above, pros and cons - and perhaps the biggest con on hiring someone from a degree course is the time taken thereafter to get that graduate up to speed - especially if it has already taken three years of higher education to get to this point.

For many UK organisations, return on investment is something they would like to apply rigorously to graduate and early years recruitment. Since growing your own skills cannot be done overnight, that *return* is less immediate than many might hope.

Cavendish Nuclear has a firm commitment to both graduates and apprentices but admits that project deadlines are also putting pressure on companies, particularly in industries where a skills gap already exists.

"We have lots of vacancies - but projects have to be delivered [immediately] so we have to use contractors."

Whilst recognising the need for succession planning and that, as the business grows, increased investment will be required in 'the engineers of the future', client work will not wait until today's graduates are ready. As Cavendish noted:

"At the moment it's all about creating a volume of skills rather than specific talent."

¹ This attitude was also reflected in our 2013 Tomorrow's Talent report where research suggested that IT degrees are not necessarily required for a career in this field (pg 6).

Getting value from the current crop

There is a concern that, even when trained, graduates are more short-term in their thinking and less committed than they used to be. John Burgess, Head of Talent & Leadership & Development for AXA UK suggests that although a business case for hiring graduates can still be made, the time over which the return on investment can be realised is shorter than it used to be.

So would it be easy to build a case today for hiring graduates in the UK?

“I don’t think it’s as easy as it used to be in a world where you would expect someone to join you at 18 and still be with you when they were 40 ... I just don’t think that happens now. I don’t think any graduates join expecting that. I think for us we would have recruited the wrong people if they did that, as they [wouldn’t have] the drive we’re looking for.”

Cavendish Nuclear agrees, suggesting that a better business case can often be made when looking at apprentices, a topic to which we will return.

“I think we get good value from apprentices and they tend to be more loyal, to stay for longer. Grads have that sense that they should move on. They have a timeframe of maybe five years only. They want to grow and develop [within the business] but they also want to leave to develop their CV.”

It is clear that, against a backdrop of poor technical skills, reduced tenure and a higher price tag, employers need to rethink the return on investment on their graduates to ensure they are getting a good deal.

Engaging earlier - targeting school leavers and apprentices

The frustration with failing to find the right graduates has led some employers to refocus their efforts on recruiting directly from school, either onto apprenticeships or their own formal school leaver entry programmes - in some instances offering a degree themselves and progression within the business that is akin to the graduate route.

One firm that is experiencing positive outcomes with this approach is Capgemini who has been growing their own technical talent and working with both e-skills UK (the Sector Skills Council) and Aston University to build a work-based IT degree, developing a Higher Apprenticeship Framework in Software Development.

The five-year pilot programme, which sees the company sponsoring apprentices to do an IT/business degree whilst working, is currently at the half way point - with early results proving very encouraging.

There is no suggestion that such a scheme, if results continue to be encouraging, would completely negate the need to hire graduates in the future. Indeed, with 40% of the global business joining at entry-level, and a similar percentage of school leavers in the UK going to university, turning their back on graduates entirely would significantly narrow the pool. Not likely to be an ideal strategy when talent is so scarce to begin with.

“[University] is where c.40% of young people are ... so if we're not getting some of that talent into our business then we're missing out on a massive talent pool.”

But there does seem to be a shift in thinking about entry-level talent amongst UK businesses and it seems likely that the proportion coming from school (as school leavers or apprentices) will rise relative to those entering as graduates in coming years.

Cavendish Nuclear believes its organisation could benefit from investing more in apprentices, *“because the balance isn't right at the moment. More can come in as engineers.”*

Indeed, looking to the German model provides an alternative approach. Whereas Cavendish takes on around 15 apprentices a year, Daimler, the parent company for Mercedes Benz, this year will look to recruit more than 2,000¹.

If it's technical skills that are needed, and a level of investment to produce those skills, the argument for recruiting earlier, paying less and developing skills that are more bespoke to your own organisation is a compelling one.

Some commentators also believe the argument for school leaver recruitment rests in the ability to shape talent to ensure a stronger cultural alignment and, as a result, better retention but Stephen Isherwood of the AGR disagrees, believing that that thinking is often based on embryonic schemes:

“People are making assumptions from when they've run school leaver programmes on a small scale that they think retention is better, they think they are getting people that are a bit more focused and more vocationally driven, and that is why they are not going to university ...”

“... The reason I say 'think' is because the data pool ... is relatively limited. Because if you increase your school leaver intake from 10 people to 200 ... you might end up in exactly the same situation as currently exists with your graduates, where half of them leave after two months.”

As we see the balance shift, it is likely that the data will become clearer.

¹ Conversation with Talent Acquisition team in Frankfurt - September 2013

Can apprentices be leaders?

It seems that for one of the two major areas of concern, that of technical skills, engaging and hiring earlier than university may form a large part of the solution for UK employers. But the second consideration, that of hiring those with potential for future leadership, remains.

In theory, there is no reason that school leavers and apprentices shouldn't also form the beginnings of this pipeline, though attitudes amongst employers on this point are not as positive as on the technical front.

"We offer specific development and training but we do expect our graduates to go into top management roles. We wouldn't expect the apprentices to go into those roles." AXA

Others agree and one organisation taking a particularly interesting approach in this regard is Deutsche Bank.

As a German retail operation, hiring apprentices is second nature, however understanding what is likely to be needed from their *graduates* over the coming decade for the global investment bank is a very different proposition.

As Kris Peters, Managing Director - Global Head of Talent Acquisition, told us:

"We are now categorising our roles. One is a workforce role. Then there's the middle category where we need highly skilled [graduates] - information technology, application developers, business analytic majors going into our our near-shore locations. That is still a competitive group.

"Then there's what used to be our existing global training programs - the pipeline for our core senior talent."

Thinking of this nature doesn't necessarily consider the availability of skills on a global level.

If technical skills are needed in back office or near-shore locations, then it makes sense that the majority of those hires can be found in those locations; in a sense, replacing the need for hiring any UK graduates or school leavers with the requirement to hire analytical, numeracy and IT skills in locations such as India, China and Russia – places where the volumes are not only greater but the quality can be found too.

It's something that others have also considered. Capgemini has chosen the school leaver route in the UK in part, at least, because their businesses in other regions of the world also need the local talent as those markets themselves develop.

For Deutsche Bank and others in a similar place, however, whilst solving the technical challenge, an interesting remaining question is *how* to find the right, globally minded leaders for the core scheme. Those that can of course, come from anywhere in the world.

UK graduates as leaders

Whilst there is no suggestion that leaders will not already possess the required technical base - Capgemini acknowledges that many successful people within their organisation are those who are technical experts but who possess great leadership skills as well.

There is perhaps a challenge in the UK already with leadership and leadership schemes being over-promoted to students in recent years. Has the message been accidentally broadcast that technical skills matter less and that what UK recruiters really need is the next CEO at the age of 21?

There has been much written already on how different Generation Y is, but if there is one clear difference between those leaving education today and those seeking to employ them, it is the mismatch in expectations.

“We want to recruit people who are very driven and who have got that drive to progress to the most senior levels. But they can at times be slightly unrealistic - almost naive ... about what working life is all about. You are not going to be engaging with the CEO on a day-by-day basis ... you're not going to be running the business from day one ...

“... So there is just a slight realism, a reality check for people. You have to learn things from the bottom up and whilst you will get a lot of development, a lot of exposure, you need to have a degree of patience and realism.” - AXA

Across our interviews this need to manage the expectations of entry-level talent, whilst also ‘selling’ development programmes to the most talented was reported as proving to be a tricky balancing act.

The danger is that ‘leadership programmes’ can attract ambitious graduates who expect to be running the business early on in their career and regularly liaising with senior management a little more than is realistic.

To help address unrealistic expectations amongst their own intake, Capgemini has introduced the concept of ‘next generation leadership’ within the second year of their graduate programme.

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UK graduates as leaders

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“The terminology is new for this year ... calling it ‘next generation leadership’ makes you think it’s not going to happen tomorrow.”

“If you’ve been a graduate for two years, you’re not going to be put into a VP role, you are next generation, we’re working towards growing you ... it’s expectation management and working with them to understand this and that there’s some ticks to get in the box before you get there. For some that will be realistic; some of them will go ‘Actually, it’s not what I want.’”

It is around the concept of ‘future leadership’ that the notion of return on investment seems most difficult, especially if, as suggested, businesses are seeing lower tenure amongst graduate hires.

It is clearly easier to manage return on investment when graduates are part of client-facing teams of auditors, lawyers and engineers - bringing in project revenue that has an obvious monetary value.

Measuring and tracking the *potential* of human capital is, of course, much more difficult. And whilst most recruiters would agree, it is not a matter of performance now or potential for later, the latter is certainly the harder to judge.

“... are we recruiting leaders or are we recruiting technical experts? I’m pretty sure that we are recruiting technical experts.” **National Grid**

Even for firms within the Big Four, traditionally organisations who have hired graduates in volume to work on specific, known and predictable work, deciding what is going to work for them in the longer term and what isn’t is no longer so straightforward.

“We aim to look beyond what their academic qualifications are.”

“... we know if they are bright enough to get above the barriers that we set that we can train people to be accountants, but we need to have the people with the right kind of softer skills ...”

“... We look for leadership, work ethic, team work, social adaptability - all manner of things which say this person has the qualities we know will be successful in our organisation.” - **Shirley Jackson, Global Recruiting Leader, EY**

The AGR agreed on the ideal candidate for many employers, over and above the specific technical skills:

“You need people who can think creatively, find solutions, [and] communicate those issues - they could hit the ground running to a certain extent and learn quickly, but you have to have those broader skills. If you don’t have those broader skills, actually you aren’t of any use.”

For those with this broad mix of skills, there are leadership roles to be had - eventually. But, despite their own expectations, it will be some time before those graduates that can go on to become leaders actually do so. It makes sense therefore, to consider what it is they might be expected to lead, and how ready they may be for it.

¹ Our initial Tomorrow’s Talent report also confirmed the need for graduate expectations to be managed. “Fresh graduates arriving in the workplace expecting to lead a team of professionals may be surprised by a reluctance to follow someone who lacks hands-on experience. Those wanting to pursue a people management rather than technical role, need to be aware that they will build credibility and gain the greatest insights if they spend the early part of their career working for other project managers.” (pg 7).

A role for UK graduates in global businesses?

If UK recruiters do adapt their strategies wholesale, developing technical skills in house and using specific talent in other parts of the world, the opportunity for UK graduates would be limited to focusing on the leadership route - but what kind of leadership roles might UK graduates have? How global will the businesses they lead be? And how well prepared might they be for those roles?

In terms of a wider international pool to select from, there appear to be some attitudinal differences amongst graduate populations depending on their home country - differences that tend not to favour those from the UK whose global awareness seems, in general, rather limited.

AXA raised the concern that, the UK graduate population may not have grasped “the fact that India and China are producing hundreds of millions of graduates and that those people are highly, highly ambitious.”

Indeed, even when recruiting at UK universities, some businesses, AXA included, are finding a large proportion of those that are hired, even into UK roles, are overseas students.

“Our UK intake is much more international than it used to be. This year the number of EU nationals or even foreign nationals, exceeds the number of UK nationals. We’ve got Romanians, Bulgarians, an Egyptian [and other nationalities] on the programme this

year and they are definitely coming at it with a greater level of determination and drive. They want what we’ve got - I don’t think our graduate population have really grasped that.”

The AGR concedes that there’s a cultural challenge for UK students, but also a class challenge since so much of what makes a really good graduate in the UK, really good, is not the impact of the mainstream education and university experience but the extras - the advice, the access to networks and the extra-curricular activities that their parents know they need to take part in in order to get the experiences employers crave.

With more companies investing in the emerging markets, there is a recognition that a successful graduate career, especially in a redefined ‘leadership’ stream, will have a high likelihood of being required to relocate in the future.

Even without the relocation element, the

desire for global commercial acumen is firmly on the agenda for Capgemini.

“We are now launching initiatives around global mobility and moving leadership talent around organisations, so the earlier you can get to the position of cross cultural understanding ... there’s benefit in that ... Having a leadership style that allows you to flex quite quickly into different geographies is important.”

Among the numerous benefits of sharing talent between markets is “*first-hand experience leading to a greater understanding of how those markets actually work - more adaptability, and a*

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A role for UK graduates in global businesses?

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greater mix of skills and cultures within each location.”

Though, even in the most global of businesses, there is an emerging distinction between global mobility (rare) and a global mindset (core).

EY confirmed that although it has *“international networks of recruiters who talk to each other and can spot talent”* and ensure, where relevant, transfers could be considered, in general it tended to be *“employ them in one place where we will expect them to qualify rather than employ them in one place and then transfer them.”*

Capgemini also acknowledged it had not yet got to the point where an individual's desire to move was taken into account.

“We've said, ‘recruit them at source, and then think about moving them afterwards.’”

Some employers do try to be proactive in moving talent around the globe in order to develop this global nous, but the business needs have to take priority and once entry-level talent has been selected, relocating this talent pool at an early stage is not currently the norm.

AXA, for example, is trying to operate more on a global basis for graduates,

and just piloting graduate programmes on a global basis for actuaries and for risk roles - recruiting from the top business schools and rotating these MBAs to different countries around the world.

In effect, this is designed to complement local entity programmes and, like Deutsche Bank's rethinking of the traditional entry programme, would be unlikely to be the norm for the majority of the intake.

Nonetheless, having the potential (and openness) to move, and to work with global colleagues is increasingly sought after and the need for a 'global mindset' was emphasised time and again, including by the AGR who noted that some universities are also recognising the need to get their students to think globally.

“[More employers] are starting to talk about the need for a global mindset in their hires because even if you don't travel that much, if you are in a multinational organisation, you've got to work in cross border teams and projects and deal with international issues.”

This 'openness' is a key challenge as surveys¹ over the past few years have shown that UK employees in general seem to be less keen to move abroad, unless it's to one of a few 'prime lifestyle locations'.

As AXA have also found:

“Top talent in the UK is quite picky about where they'll go. They will love Paris, go to New York, maybe they would like to go to Hong Kong or Singapore. But if you say Kazakhstan, Indonesia, some of these less glamorous places [they don't want to go] ... even Eastern Europe. We had some candidates recently for the CFO role in Poland and no one really wanted to go to Poland!”

Perhaps this is an area in which universities in the UK could increase their role and do more to emphasise - the internationalisation of UK talent.

¹ Several client-paid research studies have shown similar results

An internationalising role for Higher Education Institutions

Higher Education is already a crucial export industry for the UK, bringing in around £17.5¹ billion per annum. But whilst bringing in a substantial amount of revenue, it also brings more than 400,000² overseas students to UK Higher Education Institutions.

Students from China³, India⁴ and Nigeria⁵ thrive at UK universities, developing an understanding of our culture and broadening their own perspectives. Even for those UK students who don't themselves want, or have the opportunity, to spend time abroad as part of their degree, making more of this melting pot would undoubtedly help them further on in a

career and it seems a question worth asking, what could they do to make more of this opportunity?

If students don't embrace the rise of new markets and develop wider cultural interests, the alternative scenario is bleak.

The UK is not the global player that it used to be. UK companies do not dominate the lists of top global businesses, and although London retains a certain status as a world city, partly due to the presence of the City itself, it would be disingenuous to suggest that the opportunities for the most ambitious graduates over their coming careers will

be with UK businesses, within the UK.

So which is the more likely scenario? An island of graduates, remaining steadfastly on that island, or a return to a more adventurous way of thinking?

John Burgess of AXA is unsure:

"I think [UK students] are quite cossetted really and haven't realised that they are really truly competing in the global arena - whereas I think some of the calibre of the more internationally minded graduates coming through that we've recruited is exceptional ...

"... That is definitely a factor. An interesting factor - we've not fully sussed it out yet why that is."

¹ BIS - July 2013
www.news.bis.gov.uk/Press-Releases/New-push-to-grow-UK-s-17-5-billion-education-exports-industry-690a3.aspx

² UK Council for International Student Affairs
www.ukcisa.org.uk/content/2196/International-students-in-UK-HE

³ 78,715 - UKCISA - 2011-12 figures

⁴ 29,900 - UKCISA - 2011-12 figures

⁵ 17,620 - UKCISA - 2011-12 figures

Conclusions

These discussions both reveal insights and raise questions. Although not *all* global trends related to demographics and talent shortage are relevant to entry-level talent in the UK, this group has not been immune to the wider trends impacting on today's workforce and the business landscape. To ensure long-term success therefore, employers must recognise a combination of expectations that need to be managed as well as issues to be addressed.

Grow your own talent

A talent shortage has led to employers recognising the value of the 'grow your own' approach along with the inherent challenges this brings. The ability to 'grow your own talent' ensures essential technical and specialist skills are developed that are relevant to the needs of the organisation and also provides an opportunity to shape individuals for the right cultural fit.

With significant resources and commitment required to drive such initiatives, however, these must be combined with suitable incentives to ensure talent can be retained long enough to see a return on investment. Understanding the key drivers and motivations for the best entry-level talent is therefore imperative.

Time taken

The pressure to fill vacancies immediately can make the focus more on the here and now and less on the long-term training of entry-level talent. This is particularly crucial for organisations without formal leadership programmes.

For tomorrow's talent to effectively become tomorrow's leaders, greater strategic workforce planning is required. While technically-skilled talent must be sourced, advancement must be made to ensure development.

Relevant degrees and skills

With a shortage of suitably skilled people to select from, particularly in relation to highly technical fields such as IT and Engineering, more employers may benefit from the approach taken by some professional services firms. To widen their talent pool, there may be a need to think more laterally around alternative academic backgrounds that would present transferrable skills and abilities, even in STEM.

At the same time, concerns around entry-level talent possessing adequate soft skills continue to be raised. The need to teach vital behavioural skills and develop sound

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Conclusions

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commercial understanding remains.

The responsibility to teach these skills must be shared. While such training should ideally be part of academic life, this viewpoint is not always practical or realistic. Preparing students for the realities of the workplace requires more collaboration. Industry professionals must actively work more closely with academic bodies to ensure both relevant technical and softer skills are embedded within courses¹. Employers as well must be prepared to enhance such skills once entry-level talent has been recruited.

Great expectations

Perhaps the biggest change needed is in expectation management - on both sides.

Employers need to consciously manage the mindset and expectations of graduates. As increasing numbers of organisations recognise the value and become more open to hiring different types of entry-level talent, including apprentices, graduates must recognise the competition and opportunities that exist, and that a more expensive starting salary along with a potentially shorter-term viewpoint in tenure will increasingly make it more difficult for businesses to make the case for hiring them.

Nonetheless, if the potential is there for graduates to become future leaders,

ensuring that they understand the path, time taken and explicit requirements from the outset, is a must. On the other hand, firms themselves may need to reset their own expectations of what someone at entry-level can be expected to bring.

Apprentices as leaders

With more firms offering a variety of entry-level points into an organisation, including a growing number of apprentices, the perception that apprentices are not expected to become future leaders seems questionable.

If companies are going to invest in their talent, pay for their degrees and take the time to immerse them in the company culture, should they not re-evaluate the potential value that apprentices can add to the business rather than assuming this cohort will only provide technical solutions?

When focusing on tomorrow's talent, we also need to consider the context within which that talent will operate. What kinds of businesses will they be asked to operate in? And in what kind of world?

A question that clearly needs more thought is what kind of future leaders might employers really need?

It seems reasonable to suppose that the Boards of tomorrow will operate optimally if they include a selection of leaders who

have diverse experience, including diverse career starting points.

A global mindset

Over the next decade, along with a greater understanding and appreciation of where growth is going to come from, the development of a global mindset will be of paramount importance. To thrive, entry-level talent will need to demonstrate far deeper global acumen than is typically prevalent today.

For those who want to lead organisations, opportunities to do so within the UK only are unlikely to give them the kind of roles they envision. Instead, what is called for is a throwing off of an insular mindset and a broadening of ambition itself.

Employers have a role to play, even in this - where they lead, graduates will follow. As a collective, to what extent is it us who are stifling ambition versus encouraging a global mindset? How many already have a clear understanding of where their own business fits in the new global landscape, and what a global mindset really means for their organisation?

Recognising that tomorrow's talent must cultivate such a mindset may mean changing our approach. To start instilling this outlook from an early career point may require employers to be more open

to transferring junior talent overseas as part of their development. Those who are not in a position to provide such experiences must consider what alternatives can be offered to help entry-level employees become more globally minded and more able to prosper throughout their careers.

The significance of entry-level talent

Despite the numerous challenges around attracting, developing and retaining entry-level talent, it's clear that this talent pool continues to be of significant strategic importance to organisations. The importance of making the right hiring decisions will continue to grow as demands increase on the business world and on the next generation of leaders.

Whether employers feel the direct pressure yet from sourcing and retaining suitable talent at this level, the opportunity cost for businesses who don't get it right, is considerable. It's essential that business leaders both recognise the true value of tomorrow's talent, and ensure that they are able to realise that value.

Those that succeed are likely to be the ones that act now, to challenge traditional thinking and behaviour so as to successfully meet the challenges of changing demographics and the talent shortage in today's world of work.

¹ When considering if universities equip graduates with the technical skills required in today's workplace in our 2013 Tomorrow's Talent report (with particular focus on IT skills), our research confirmed the gap that existed between what students had learned at university and what skills were required on the job itself. The demand from graduates for 'more practical learning' was made clear and the need for universities to work more closely with industry professionals to ensure course content was tailored to include skills with real-time market relevance was highlighted. (pg 24)

Appendix

About the research

Our initial research involved conducting a number of one-to-one, in-depth one hour interviews with a selection of senior HR & Talent Acquisition professionals from across the client base of both Experis and ThirtyThree during September and October 2013.

Participants spanned a number of multinational organisations representing a range of industries including professional services, financial services, utilities, insurance, information technology services and engineering support services. The CEO of the Association of Graduate Recruiters also took part as an industry voice.

We'd like to thank the following participants who took part in our depth interviews:

Anouska Ramsay - Head of Talent, Applications Services UK - Capgemini
Alastair Holt - Head of Resource Management - Cavendish Nuclear
John Burgess - Head of Talent & Leadership Development - AXA
Kris Peters - Managing Director - Global Head of Talent Acquisition - Deutsche Bank
Martin Healiss - HR Director - CSC
Paula Sprayson - Head of Talent Acquisition UK - National Grid
Shirley Jackson - Global Recruiting Leader - EY
Stephen Isherwood - Chief Executive - Association of Graduate Recruiters

Future research to be published in 2014 will explore entry-level talent issues against the remaining megatrends that ManpowerGroup have identified, including:

- Individual Choice
- The Rise of Customer Sophistication
- Technological Revolutions

About Experis

Experis is the global leader in professional resourcing and project-based workforce solutions. Our suite of services range from interim and permanent recruitment to managed services and consulting, enabling businesses to achieve their goals.

We accelerate organisations' growth by attracting, assessing and placing professional talent in IT, Finance & Accounting, and Engineering. Experis operates in more than 50 countries and works with over 80 percent of the Fortune Global 500, deploying 38,000 skilled professionals every day.

experis.co.uk

About ThirtyThree

ThirtyThree LLP is the UK's largest privately-owned employer brand and communications agency and a founding member of the OneAgent global network.

We focus on creating insight-led and creatively-driven digital & graduate marketing together with employer brand, social media strategy and global talent acquisition.

Together, our specialist teams draw on deep knowledge to advise on all aspects of employer branding and the impact this can have on employee attraction, engagement, and retention.

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