Will today's graduates want to work for you?

Reshaping your talent supply chain to drive growth

By Diana Barea and Payal Vasudeva
The UK economy continues to expand. Large employers are competing for top talent, and graduates have choices. Most don't want to work for Britain's biggest companies. They find that smaller employers provide the opportunities and social culture they're looking for. Unless large corporations change course, they could miss out on growth as fresh graduates go elsewhere.

Trouble ahead

This year's UK university graduates are more resourceful and focused than ever as they prepare to enter the workforce. They considered potential jobs before choosing a major field of study. They pursued internships. They're looking for ongoing training and development opportunities. Their universities, they report, prepared them well and helped them look for work.

In other words, grads have been doing everything they can to strengthen their link in the overall talent supply chain, and universities have increased their participation, as well.

But according to the Accenture Strategy 2015 UK University Graduate Employment Study, employers themselves are likely to be the weakest link in that chain. High percentages of recent graduates tell us they are underemployed. Salaries are low. Many recent hires are not being offered learning experiences to help them advance in their careers.

For those leaving university this year, there is potential for a disappointing start to working life. For employers, the news is more ominous. Their growth plans could be stunted by the failure to stoke one of the major engines of growth: the workforce.

UK companies need to ask themselves some tough questions when it comes to harnessing the power of their workforce and getting their talent supply chain into shape.
Are you shaping a culture that attracts and retains top talent?

Here are some of the most startling findings from the Accenture Strategy research: Only 21 percent of this year’s graduates want to work for a large company, while 44 percent prefer a mid-sized organization or a small/start-up company.

The news for specific industries is even worse. Just 13 percent want to work in the communications industry, 10 percent in pharmaceuticals, 7 percent in energy, 6 percent in insurance and only 2 percent in utilities. How will these companies survive in the long run given that lack of interest?

Perceptions about organizational culture play a role here. New grads appear to be apprehensive about being lost in the shuffle of a large company. In short, "small is in."

What do grads want from the culture of a company that could make even a large organization “feel” smaller?

A positive social atmosphere

Most recent grads place a premium on a positive work environment. Fifty-nine percent of 2015 graduates say they would prefer to work at a company with a positive social atmosphere and receive a lower salary, rather than receive higher pay at a company that is less fun.

59%

Would trade higher salary for positive social atmosphere

Those currently in the working world are likely to agree, with 55 percent of 2013 and 2014 grads prioritizing work culture over salary.

A commitment to social responsibility

The majority of new grads (52 percent) would also be willing to trade a measure of personal compensation to work at a company with an impressive commitment to the environment or the social impact of its products and services.

A digital experience

This is now a fully digital generation: 76 percent of new grads expect that advancements in digital technologies will positively impact their work experience. Nearly three-quarters (74 percent) of 2015 grads plan to use or have used a mobile app to search and apply for jobs, up from 61 percent of 2013 and 2014 grads. For new grads, social networking and electronic job boards are considered the most effective method of finding a job (14 percent and 17 percent, respectively), beating word of mouth (12 percent) and on-campus recruiting (9 percent).
Are you matching workforce capabilities to growth?

This year’s university grads are savvy. They looked at the job market and developed capabilities accordingly. Yet companies appear to be doing a poor job of leveraging those capabilities, based on the experience of those who have been in the workforce for a couple of years.

**Under-employing new hires**

More than three-quarters of this year’s grads (77 percent) say that their education has prepared them well for their first job. But that optimism is in stark contrast to the experience of 2013 and 2014 graduates: 60 percent consider themselves underemployed or working in a job that does not require a degree.

**Matching capabilities to opportunities**

Eighty percent of this year’s university leavers say they considered the availability of jobs in their intended field before selecting their degree course. Yet, although 67 percent expect to work in their chosen field, only 55 percent of 2013 and 2014 graduates have been able to do so full time.

**Converting internships into jobs**

In a bid to secure relevant work, 71 percent of 2015 grads participated in an internship or apprenticeship. Yet more than a third of recent grads (39 percent) were unable to convert that internship into a job.
New and recent university graduates are committed to the job search and to their budding careers. Their expectations are high and they’re ready to go. But many are receiving a lukewarm response from employers.

**Loyal**

Heard that younger workers change jobs all the time? Maybe in some areas and industries, but our research points to a surprisingly loyal generation. Almost two-thirds of 2015 grads (63 percent) expect to be with their first job for at least three years, up from just 49 percent of 2013-2014 grads. And 24 percent of 2015 grads expect to be with an employer for more than five years.

**Continually learning**

Eighty-four percent of 2015 graduates expect to receive formal training during their first job. Almost two-thirds of 2015 graduates (65 percent) are looking for on-the-job training from their employers.

**Serious**

Personal digital devices and access to the Internet are often concerns of employers as a productivity drain. Yet, compared to 2013 and 2014 grads, this year’s graduates are far less prone to believe it is acceptable to frequently do things like check Twitter or Facebook during the day, or check emails and send texts during meetings and conference calls.

In a number of ways, the commitment of these grads is not being matched by employers, whose shorter-term perspective could impede longer-term growth. Part-time work, at low salaries, is a fact of the job market for recent university leavers. Approximately three-quarters (72 percent) of this year’s graduates expect to find full-time work, but only 58 percent of 2013 and 2014 grads have been able to do so.

Eighty-four percent of this year’s grads expect to make more than £19,000 per year, but only 75 percent of recent grads have achieved that mark. One in four recent grads makes less than £19,000.

And, although organizations claim they want to both attract and retain top young talent, they’re often failing in their commitment to provide ongoing development opportunities. Eighty-four percent of 2015 grads expect their first employer to provide formal training, but more than one in four recent grads (28 percent) did not receive such training.
Strengthening the chain

As competition for top talent heats up in an era of growth, companies should take a hard look across their entire talent supply chain—from resource planning, to talent acquisition, to development, to performance management.

Insights from Accenture Strategy’s university grads study point to several ways to strengthen your talent supply chain.

Get small

Even a large company can act like a small one with the right organizational structure and the right attention to building a positive work environment. Employers need to offer entry-level employees challenging work and also create a culture of growth and advancement within the organization.

Get digital

Digital is no longer an option. It’s the reality. Because young people use digital channels such as social networking while prospecting, employers must ramp up their investments in those channels as a way to attract entry-level talent and differentiate the recruitment experience.

Engage earlier

It’s important to engage with recruits earlier in the supply chain. University students and recent grads already have broad experience with internship programs, and such experiences are a way to promote your brand with promising talent. If you don’t have an internship programme, it’s time to start one.

Show your social consciousness

New grads are altruistic and attuned to environmental and social issues. In fact, their top-two career choices are education and health care. Large companies are actually more likely to invest in environmental and social responsibility than smaller ones. So, highlight your environmental and social activities in recruiting and use those activities to build a stronger culture among current employees.

Differentiate on talent development

The gap between expectations for training and the reality of what recent grads have experienced presents employers with a significant opportunity to differentiate during the recruiting and retention parts of the talent supply chain. It’s also a way to strengthen the organization through ongoing talent development.
The Accenture Strategy 2015 UK University Graduate Employment Study finds that university graduates are entering the job market highly prepared and motivated, and even highly loyal. Is your talent supply chain strong enough to drive your growth plans by attracting, developing and retaining the best and the brightest?
About Accenture

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About the Research

Accenture Strategy conducted an online U.K. survey of 1,000 students graduating from university in 2015, and 1,000 students who graduated from university in 2013 or 2014. Survey conducted in May, 2015. Note: Data has been rounded to the nearest whole number.