
RESPONDING TO COVID-19 *THE EXPERIENCE OF SUPPLIERS*

Executive summary

This report provides the findings of a survey of labour market intermediaries and other suppliers of services to the student recruitment market. All respondents are ISE members. It was conducted between Tuesday 31st March and Tuesday 7th April and received 58 valid responses. Key findings are as follows.

- ISE's supplier members offer a wide range of services designed to support employers and education providers to recruit, select and develop entry-level talent.
- Almost all (98%) of the respondents offer services to employers, but it is also common to offer services to universities (41%) and schools (22%).
- In the context of COVID-19 suppliers are most likely to highlight a range of services that they offer to help employers and education providers to shift their provision online. These include online recruitment tools (highlighted by 50%), online careers provision (21%) and online brokerage (19%).
- Suppliers also highlight their consultancy services (25%) designed to help address the changes of COVID-19, the availability to replacement capacity (15%) to help address staffing shortages and support with branding (4%).
- Most suppliers expect to see a decline in the numbers of graduates (81% of respondents), non-graduates (71%) and interns and placement students (85%).
- With the exception of interns and placement students where the plurality (47%) believe that these opportunities will reduce substantially, suppliers are more likely to anticipate a slight decrease in numbers rather than a substantial cut.
- The majority (52%) of suppliers are reporting a decrease in demand for their services. Conversely 21% have seen an increase in demand for their services.
- Suppliers recognise that COVID-19 is having both short- and long-term impacts. Some are optimistic and believe that these impacts will lead to new and better (particularly digital) approaches to work, but others are more pessimistic, fearing a loss of opportunities and an economic downturn.
- Suppliers are positive about the role of ISE and are keen for it to continue and extend its research, data, communication, community building and public affairs roles.

1. Introduction¹

The COVID-19 crisis that has emerged during March and April 2020 has had profound impacts on all aspects of life in Britain and the rest of the world. The Institute of Student Employer's (ISE) previous survey examined this from the perspective of the employers seeking to recruit and develop entry-level hires.² In it employers reported that the crisis was leading to profound impacts on their working practice and leading to the cancellation of recruitment and selection processes as well as their reorganisation and digitalisation. It also highlighted that a quarter to a third of employers were considering reducing their hiring numbers.

In this short report we turn our attention to the response of labour market intermediaries and other suppliers of services to the student recruitment market. While these organisations are one step removed from the direct process of hiring, they offer wider insights about the current state of the market.

This short report is accompanied by a directory of supplier services designed to allow employers and educational providers to find the partners to help them with their provision.

About the study

ISE launched the survey on Tuesday 31st March and closed it at 1pm on Tuesday 7th April. The primary purpose of the survey was to gather the details of the services offered by ISE supplier members during the COVID-19 crisis. We also took the opportunity to ask the respondents some broader evaluative questions about how they perceived the crisis and how it was impacting on their business.

The survey received 143 responses. Following data cleaning there were 58 valid responses.³ The survey was open to ISE's supplier members.

ISE's supplier member category covers a wide range of different types of organisation. All offer services to either employers or education providers, with many offering services to both. The range of services, relevant to the current time, will be described in this paper.

¹ Please use the following format to cite this survey
Institute of Student Employers. (2020). *Responding to COVID-19: The experience of suppliers*. London: Institute of Student Employers.

The analysis and writing of this report were undertaken by Tristram Hooley. Thank you to Andrew Wright, Paul Grattrick, Stephen Isherwood, Tom Christodoulou for their input into the design and analysis of the survey.

² Institute of Student Employers. (2020). *COVID-19: Challenges for student recruitment and development*. London: Institute of Student Employers.

³ Data were cleaned to remove test responses, responses with no usable data in them, duplicates and incomplete responses where no organisational name had been given. Where duplicates were found the most complete response was used. Where firm's had completed two or more full responses the data were combined to create a single complete response. Where qualitative responses were given these were analysed and coded.

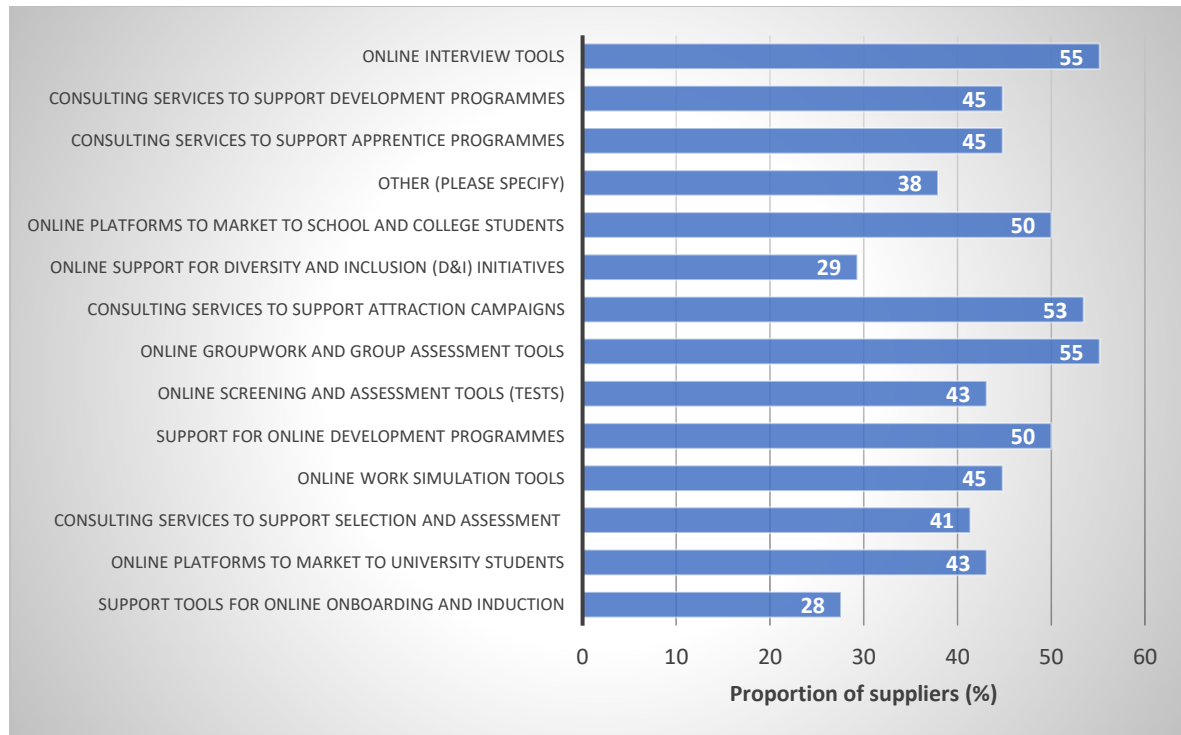
2. Findings

In this section of the report we present the key findings of the survey. It explores the services that suppliers are offering, the impact of COVID-19 on the labour market and on the demand for suppliers services and offers reflections on the current situation and on the role of ISE.

Services provided

Respondents provides a wide range of different services. Figure 1 shows the proportion of respondents offering each of the main categories of services.

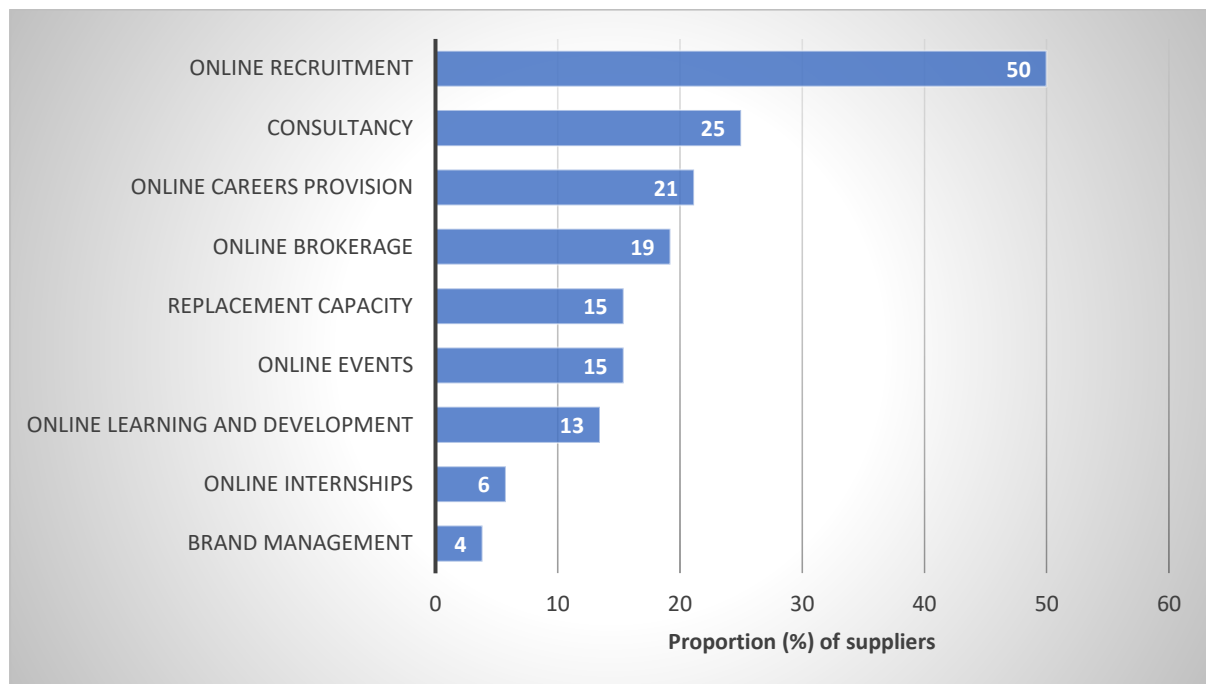
Figure 1. The proportion of suppliers offering different services



Almost all (98%) of the respondents offer services to employers, but it is also common to offer services to universities (41%) and schools (22%). A minority offer services to other groups including other suppliers and individuals and their parents.

We asked suppliers to describe how the services that they were offering were particularly relevant to the COVID-19 period. Figure 2 sets out the key responses that they gave to this question.

Figure 2. Relevance of services offered by suppliers during COVID-19



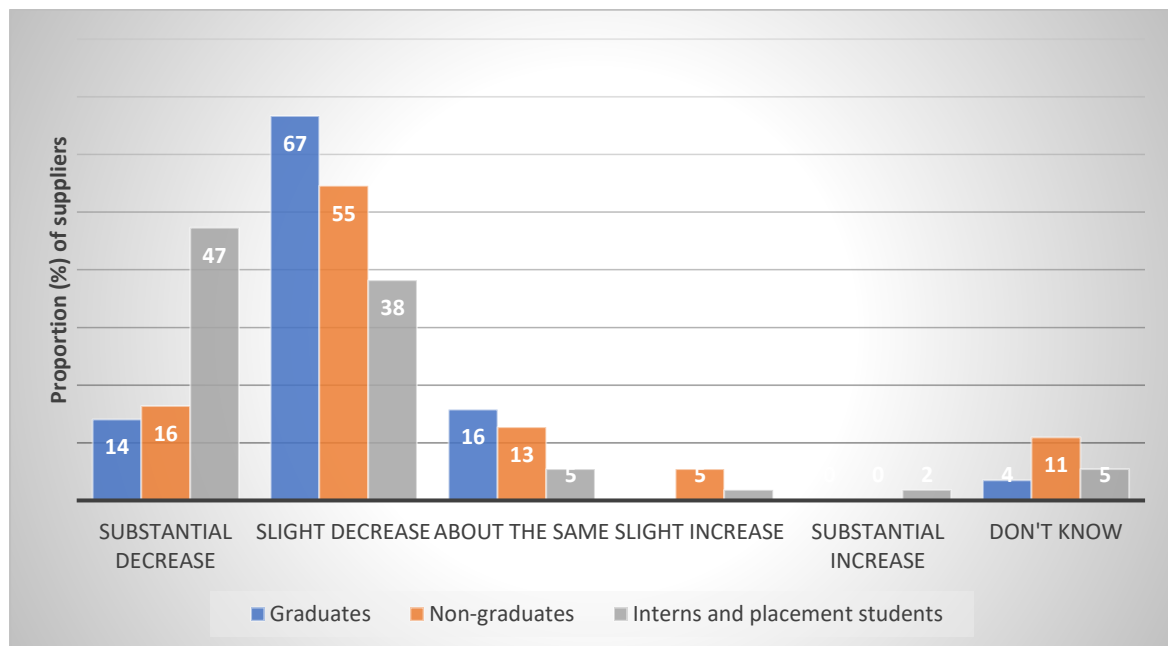
There was a strong pattern that suppliers were seeking to offer services and support to allow employers and educational providers to move various aspects of their services online. This includes various aspects of online recruitments (offered by 50%) including both attraction and selection processes. It also included support for educational providers to move their careers provision online (21%) and specific brokerage services (19%) designed to bring educators and employers closer together. Other suppliers emphasised the support that they could provide in moving previously face-to-face events online (15%) or in running development programmes (13%) and internships (6%) online.

In addition to the strategy of shifting existing face-to-face activities online, a quarter of suppliers (25%) were also offering consultancy on how organisations are managing their whole student provision in the light of the crisis. Some emphasised the fact that during this period organisations are more likely to face capacity issues due to illness and highlighted the support that they could provide (15%). Finally a minority of suppliers (4%) noted that firms would be likely to experience particular brand challenges during this period and offered additional support with branding.

Impact of COVID-19 on the student labour market

Suppliers were asked to indicate whether they thought that the COVID-19 crisis would be likely to lead to an increase or decrease in the numbers of entry-level hires that they thought employers would recruit. Figure 3 summarises their responses with respect to graduates, non-graduates (e.g. school leavers and apprentices) and interns and placement students.

Figure 3. Suppliers perception of how employers are likely to change their recruitment in response to COVID-19



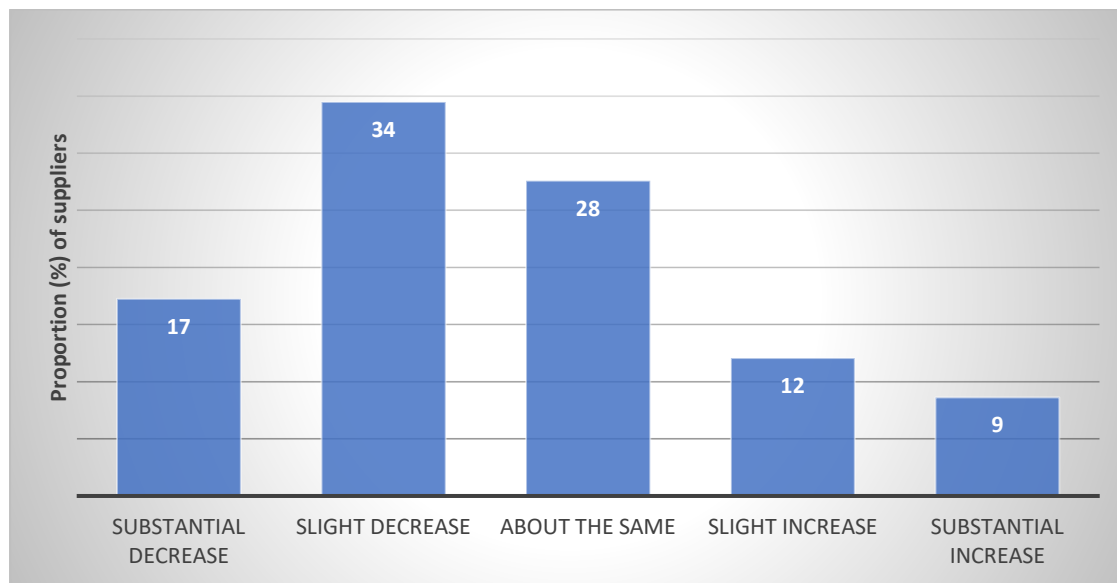
Overall, this suggests that suppliers are fairly pessimistic about numbers across the student recruitment market. Most expect to see declines in the numbers of graduates (81% of respondents), non-graduates (71%) and interns and placement students (85%). But, the good news is that it is only in relation to interns and placement students where the plurality (47%) believe that these opportunities will reduce substantially. For graduates and non-graduate hires, the majority of suppliers expect to see a slight decrease in numbers rather than a substantial cut.

The perspective offered by suppliers is useful because they have a wide engagement with multiple employers. While they are not reporting on their own hiring numbers, they are in a good position to understand how the market is responding to the crisis.

Impact of COVID-19 on demand for supplier services

In addition to their perception about the impact of COVID-19 on the student labour market, suppliers are able to report directly on the level of demand that they are experiencing for their own services. There is not a direct relationship between any one service and the health of the student labour market. For example, it is possible to imagine that employers are delaying certain activities in the context of the crisis which may not have big implications for the ultimate numbers that they recruit. However, taken across the whole of the student labour market a shift in demand for suppliers services tells us something about the overall health of the market. Figure 4 sets out suppliers response to the question of how demand for their services has changed since the COVID-19 crisis began.

Figure 4. Change in demand for services since the start of the COVID-19 crisis



The majority (52%) of suppliers are reporting a decrease in demand for their services. Conversely 21% have seen an increase in demand for their services. While the overall picture is concerning, it is also clear that the crisis is creating opportunities for some suppliers.

Reflections on the impact of COVID-19

Respondents recognised that COVID-19 was having both a substantial short-term impact, but also had the potential to underpin longer term changes. This amount of change requires a substantial strategic response from the suppliers themselves as well as the employers and educational providers that they are working with. Some suppliers highlighted the importance of communication with stakeholders and the need to manage reputational damage in the light of these changes.

While the issues associated with COVID-19 are becoming clearer, there is still some way to go before organisations can fully plan their responses to them. However, respondents emphasised the need to continue to develop a response to the situation.

The COVID-19 situation is still evolving and the full impact will not be clear for some time. The ability to flex as these changes become clear is going to be incredibly important.

Many respondents anticipated that COVID-19 would lead to some permanent changes in the way in which the student labour market works. Some were hopeful that this would ultimately lead to positive change.

All companies now need to think differently, and we will see the sector improve as a result.

The focus employers are giving to employees in response to COVID-19 is tremendous. It will possibly change many organisations for the better, for

the long term. We are all remembering to be human (at last) and winning employers will sustain this beyond COVID-19 because employees will expect it as the New Norm. The New Norm will mean: empathy for each other and the challenges and opportunities that we as individuals face - whilst needing and enjoying a common purpose that goes beyond profitability.

A key area where respondents expected to see substantial changes was in relation to engagement with digital technologies. These suppliers anticipated that the shift to online approaches to the delivery of careers and transition services and recruitment, selection and development would lead to long term change.

As an agency, we are looking at this as the forced opportunity for firms to actually change their ways of working and understand that technology can SUCCESSFULLY be used and companies still deliver. We strongly believe that a new normal will emerge during the pandemic that will see companies (those that can remain open) return to a more BAU approach albeit done in a 'responsible' way.

We believe very strongly that Covid-19 is accelerating the pace of digital adoption within the Future Talent Industry. Whilst we can absolutely understand that the complexities of this unprecedented situation are likely to paralyse many organisations' Future Talent teams, we really encourage people not to let the uncertainty of these tricky times be an excuse for inaction. When things settle down, we will return to a new normal, not the previous normal.

Others were less positive. Viewing the crisis as something that was disrupting normal business in an unhelpful way.

Reports are suggesting that businesses will be deemed successful if their 2020 revenues are 50% or more of their 2019 revenues. This means that many businesses will struggle to have the budget in place to do all the things they want to in student recruitment, as ultimately budgets will have substantial cuts to the 'nice to have' services. Student recruitment will continue, as ultimately it is cheap labour. But teams' resources will be scaled back to the basics.

These suppliers highlighted the negative impacts that it is having on the availability of work experience and other opportunities for young people. Some raised concerns about recession, with one saying that *'the impact on this student cohort could be worse than the 2008 crash'*. They also highlighted the challenges that employers would face in maintaining their long-term talent pipeline following the disruption of this period.

As one supplier pithily put it, *'Bit annoying isn't it?'*

The role of ISE

The respondents to the survey were overwhelmingly positive about the role that ISE was playing in the current crisis.

Respondents were keen to see ISE continuing to provide market insights and updates.⁴ They were keen to hear both how employers were responding, but also how other suppliers were addressing the crisis. Many emphasised the importance of high-quality research and data.⁵

They were keen for ISE to provide employer and education members with more information about the services that they are providing and to open up more communication channels. This included moving the kinds of opportunities to showcase services that take place face-to-face into online formats. There was a lot of support for the webinars, podcasts and other digital provision that is now offered by ISE.⁶

Finally, some suppliers were keen for the ISE to take a leadership role, particularly in representing the concerns of the sector to government.

3. Conclusions

The COVID-19 crisis continues to present a considerable challenge to the student labour market in general and to the businesses of ISE's supplier members in particular. There are worrying signs that the crisis will result in a downturn in the volume of student recruitment. However, for now at least, the scale of this downturn is anticipated to be small rather than substantial.

For most suppliers the crisis period has seen a reduction in business, although for a minority the particular challenges of the crisis have resulted in increased demand for their services. At present digital and online approaches are ruling and many feel that the shifts that are taking place during the crisis may become more permanent as the 'new normal' emerges.

⁴ See <https://ise.org.uk/news/?id=15425> for updates on COVID-19 on the ISE website.

⁵ See <https://ise.org.uk/page/Research> for further information on ISE's research.

⁶ See <https://ise.org.uk/page/ISEEvents> for updates on webinars and other online provision offered by ISE.