

Covid-19

The impact of the crisis
on student recruitment
and development

Institute of
Student
Employers

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COVID-19: THE IMPACT OF THE CRISIS ON STUDENT RECRUITMENT AND DEVELOPMENT

Executive summary

This paper reports the findings of a survey with 179 student employers by the Institute of Student Employers and the Association of Graduate Careers Advisory Services. Respondents included both large employers and SMEs and represented a broad sectorial and geographical spread. It concludes that the student labour market is 'down but not out' and that while it is a challenging time for young workers to be entering the labour market, employers are continuing to recruit and adapting their recruitment processes to the new situation.

Key finding from the survey are as follows.

- **Firms are cutting entry-level recruitment this year.** Respondents have reduced their planned student recruitment for this year by 23%. The reduction in hiring is worse for SMEs than larger firms and for firms in the *Built environment, Finance & professional services* and *Energy, engineering and industry* sectors. Reductions are driven by the general uncertainty in the situation and by concerns about financial problems.
- **Recruitment is down for all types of hires, but the impact is least for graduates.** Respondents report that they plan to recruit 12% less graduates than they were going to before the Covid-19 crisis. However, they anticipate recruiting 32% less apprentices and school leavers and 40% less interns and placement students.
- **Some entry-level staff are being furloughed.** On average respondents are furloughing 13% of their staff. They are furloughing a slightly higher proportion of entry level staff (14%). SMEs and firms within the *Built environment, Energy, engineering & industry* and *Retail & FMCG* sectors were more likely to be furloughing staff.
- **A minority of firms have reneged on existing job offers or plan to do so.** 14% of respondents reported that they had already reneged on a job offer. Renege rates are particularly high in the *Built environment* sector (36%) and the *Retail & FMCG* sector (38%). Looking forwards, 14% of firms were considering the possibility of reneging on

more offers this year with the *Built environment* (28%) and *Retail & FMCG* (25%) again being the most likely to be considering further renegees.

- **Future recruitment is unclear.** Almost 40% of firms have still not finalised their hiring plans for next year suggesting that there is a lot of volatility in the student labour market.
- **Recruitment processes have moved online.** Firms have shifted a lot of their recruitment processes online and cancelled most face-to-face activities. There is still much uncertainty about what will happen in the next recruitment season, but there is a strong indication that online recruitment may become the new normal.
- **Employers want universities and schools and colleges to continue to engage with them.** Most employers are keen to stay in close contact with all education providers and are particularly keen to keep communications open with universities. They are also keen to see education providers move careers provision online to align with their online recruitment processes.
- **Some start dates for new hires will be delayed.** Around a third (31%) of employers anticipate delaying the start dates for new hires. Dates vary, but most are just pushing start dates back a month or two, with a minority shifting start dates to early 2021.
- **Induction, learning and development and wellbeing support are moving online.** The majority of firms (73%) anticipated that they would have to shift their learning and development provision for new hires online.
- **Larger employers are more positive about the future than SMEs.** While all employers are experiencing challenges and problems due to Covid-19 and the lockdown, large employers were more likely to highlight the upsides of the crisis by discussing potential changes to business flexibility, the introduction of new technologies and increased homeworking. SMEs were typically more concerned with financial problems and business survival.
- **Overall, the recruitment picture for 2020 is becoming increasingly clear. The student labour market is currently down but not out.** However, the future is extremely volatile and all actors (employers, educators, young people and the government) will have to work hard to ensure that the next generations of student talent are utilised to their full potential.

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1. Introduction¹

The Covid-19 pandemic has been the defining feature of economic, social and political life across the globe during the first half of 2020.² Sadly it seems likely that the disease and its aftermath will continue to dominate business, politics and everyday life for some time to come. While initial concerns were focused on the health implications of the pandemic, it quickly became apparent that there were going to be very substantial consequences for the global economy and the labour market.³

In the UK the government has sought to mitigate the impact of the crisis through a raft of policies and initiatives.⁴ This has included locking down the UK from mid-March to try and prevent the spread of the diseases. As a result, the UK labour market is experiencing a rapid and unprecedented contraction with the number of jobs being advertised shrinking and benefit claims rapidly increasing.⁵ While such consequences are concerning for everyone, research suggests that the labour market impacts are most serious for women, the lower-paid, and, critically for this research, for young people who are either recent entrants to the labour market or who are about to enter it.⁶

This report explores the current situation for those employers who would normally be involved in recruiting entry-level staff. We are interested in whether employers' recruitment of graduates, entry-level non-graduates such as apprentices and school leavers and short-term hires such as interns and placement students has been altered by Covid-19 and the lockdown.

This paper builds on a previous survey with employers conducted in mid-March at the start of the crisis.⁷ This survey found that employers were changing their approach to recruitment by moving processes online. It also found that a minority of employers anticipated that they would reduce the volume of their entry level recruitment in response to the lockdown and its economic consequences. A further study of labour market intermediaries (suppliers) working

¹ Please use the following format to cite this survey

Institute of Student Employers & AGCAS. (2020). *Covid-19: The impact of the crisis on student recruitment and development*. London: Institute of Student Employers.

The analysis and writing of this report were undertaken by Tristram Hooley and Gabrielle Binnie. Thank you to Charlie Ball, Fiona Christie, Lucy Everett, Bob Gilworth, Paul Grattrick, Adam Gretton, Keith Herrmann, Stephen Isherwood, Simon Reichwald, Philip Wilson, Andrew Wright, and Laura Yeates, for their input into the design and analysis of the survey.

² The most up to date and comprehensive account of the pandemic can be found on Wikipedia at https://en.wikipedia.org/wiki/COVID-19_pandemic.

³ See for example the OECD coronavirus hub (<http://www.oecd.org/coronavirus/en/>) and the International Labour Organizations resources on Covid-19 and the world of work (<https://www.ilo.org/global/topics/coronavirus/lang--en/index.htm>).

⁴ See <https://www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response%20> for further information on the UK government response.

⁵ Wilson, T., Papoutsaki, D., Cockett, J., & Williams, M. (2020). *Real time vacancy analysis: Early findings on changes in vacancy levels by local area and job type*. Brighton: Institute of Employment Studies; BBC. (2020). Coronavirus: Nearly two million claim universal credit. Retrieved from <https://www.bbc.co.uk/news/uk-politics-52536210>.

⁶ Gustafsson, M. & McCurdy, C. (2020). *Risky business*. London: The Resolution Foundation.

⁷ Institute of Student Employers. (2020). *COVID-19: Challenges for student recruitment and development*. London: Institute of Student Employers.

in the entry-level market at the start of April echoed these findings, suggesting that the student labour market would be likely to shrink in 2020.⁸

This paper updates these findings through a survey with 179 employers conducted in late-April/early-May just before the Prime Minister announced that the slow process of easing Britain out of the lockdown was going to begin.⁹ While Britain is entering a new stage of the lockdown, it is clear that many of the issues discussed by the employers who responded to this survey will be continuing for a number of months and that there is still considerable uncertainty.

About the authors

This report has been produced by the Institute of Student Employers (ISE) supported by the Association of Graduate Careers Advisory Services (AGCAS).

ISE is an employer association specialising in the student labour market and the early careers of entry-level staff. ISE works with and represents employers who are involved in recruiting directly from the education system. The movement from education to employment is one of the critical transitions in an individual's life and has big implications for the economy. ISE works with employers, education providers and labour market intermediaries to ensure that this transition works well. This task is particularly critical during times of crisis and economic downturn.

AGCAS is the expert membership organisation for higher education student career development and graduate employment professionals. AGCAS represents higher education careers services across the UK and internationally, as well as some further education providers. Through the expertise of its members, AGCAS influences policy at both an institutional and national level to support the best possible career outcomes from higher education for individuals, institutions, society and the economy. This is crucial during economic uncertainty to ensure that any impact on students and graduates is recognised and remedial action put in place to support them.

About the study

ISE launched the survey on Monday 20th April and closed it at Monday 4th May. The survey received 361 responses. Following data cleaning there were 179 valid responses.¹⁰

The survey was open to all employers. The majority (57%) of respondents were ISE members, and almost three-quarters (72%) were large employers (employing more than 250 employees) with the rest (28%) SMEs. Respondents break down by sector as shown in figure 1.1.

⁸ Institute of Student Employers. (2020). *Responding to COVID-19: The experience of suppliers*. London: Institute of Student Employers.

⁹ Johnson, B. (2020). *PM address to the nation on coronavirus: 10 May 2020*. Retrieved from <https://www.gov.uk/government/speeches/pm-address-to-the-nation-on-coronavirus-10-may-2020>.

¹⁰ Data were cleaned to remove test responses, responses with no usable data in them and duplicates. Where duplicates were found the complete response was used. Where firms' 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.

Figure 1.1. Respondents by sector

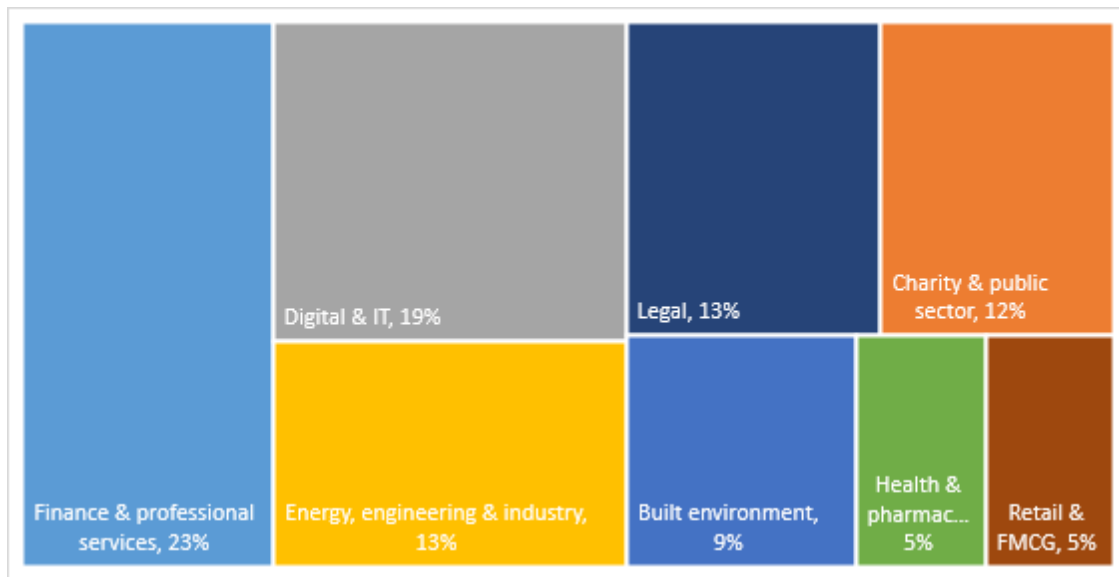
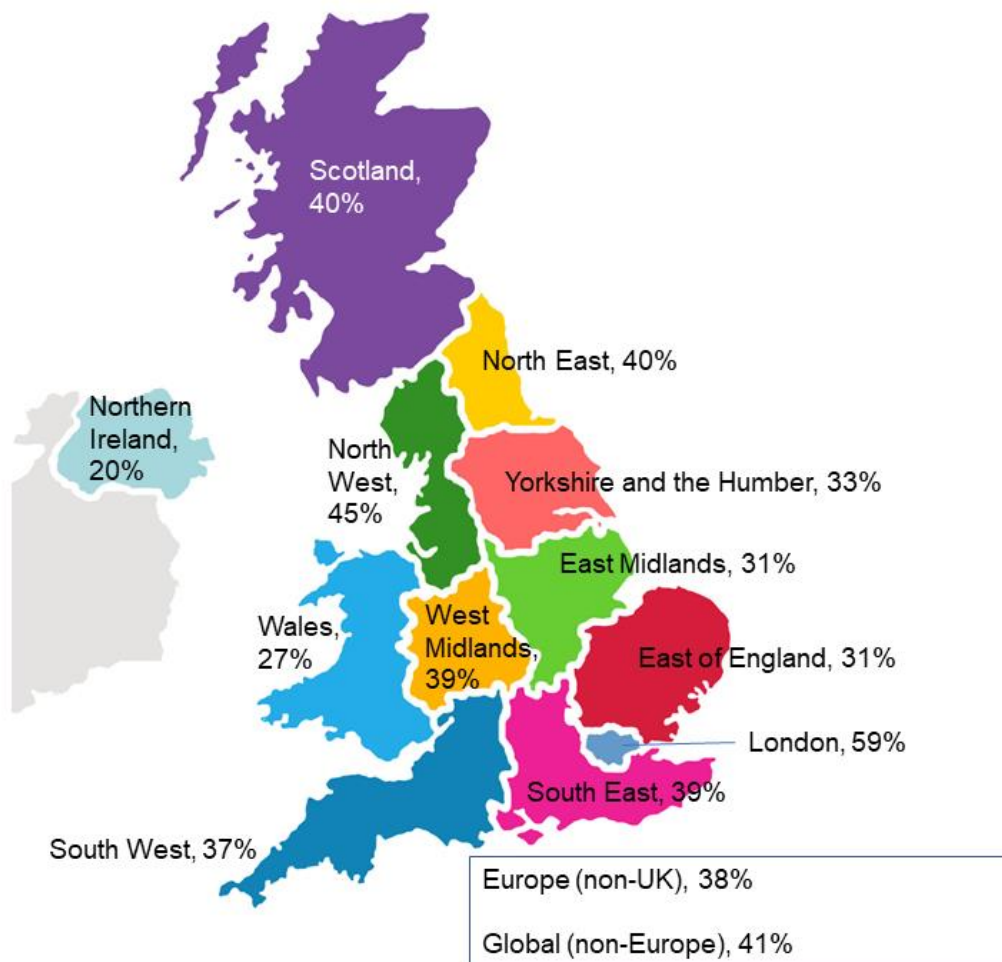


Figure 1.2 shows where in the country the respondents employ staff and suggests that we have a geographically broad spread of respondents.

Figure 1.2. The proportion of respondents employing staff in each of the regions



We will be exploring how the demographics of the respondents shape their experience of Covid-19 throughout this report.

2. Staffing implications

This chapter explores the implications of Covid-19 and the lockdown on firms' staffing. It begins by looking at firms' recruitment plans for this year and next year and then moves on to look at the level of furloughing that is being undertaken with existing staff.

Recruitment this year

In the survey we asked firms to provide us with the number of students that they planned to hire in 2019/2020 before the Covid-19 outbreak happened and then to update this number to their current plans. Most respondents (86%) to the survey were able to provide figures for both pre- and post-Covid-19 hiring plans for non-graduates (apprentices and school leavers), graduates and interns and placement students. Comparing the two figures allows us to estimate the size of the impact of the Covid-19 crisis on this year's student labour market. In interpreting these figures it is important to recognise that our previous research had suggested that the student labour market was likely to be stagnant in 2019/2020, so any reduction in hiring numbers means that there will likely to be less jobs available for labour market entrants than in previous years.¹¹

The fact that 14% of respondents were not able to provide clarity about their recruitment numbers for this year demonstrates how dynamic the labour market is at present. How this group of employers behave could make a substantial difference to the number of students hired in the autumn. The labour market is continuing to develop in response to the Covid-19 crisis and new initiatives like the recent decision to extend the furlough scheme to October shifts the financial context within which employers are making hiring and resourcing decisions.¹²

The employers who were able to provide insights into their recruitment numbers reported that they were anticipating recruiting 23% less students than they did prior to lockdown. Figure 2.1 sets out how this breaks down across the different categories of student hire. The number of internships and placement students has been worst hit with a fall of 40% in the planned numbers.

The summer placements were unfortunately cancelled and offers withdrawn as it was seen as too difficult to do well given the general turmoil in the business.

Large employer, Finance & professional services

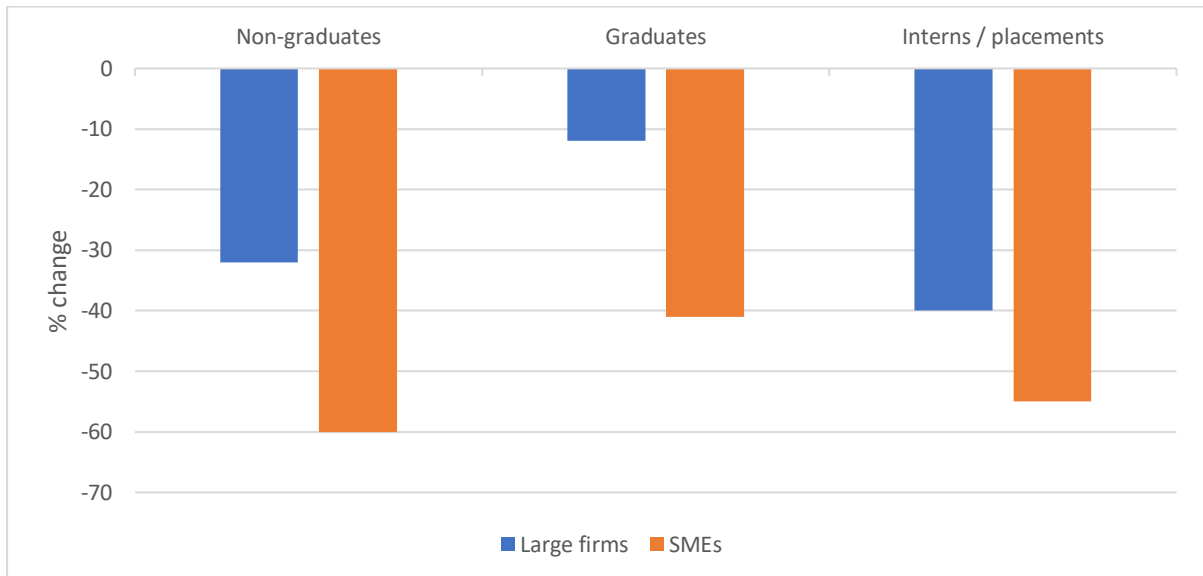
Respondents reported that they anticipated hiring 32% less non-graduates and 12% less graduates. There were no big differences between ISE members and non-members, but

¹¹ Institute of Student Employers. (2020). *The ISE Pulse Survey 2020: Taking the temperature of the graduate labour market*. London: Institute of Student Employers.

¹² HM Treasury. (2020). Chancellor extends furlough scheme until October. Retrieved from <https://www.gov.uk/government/news/chancellor-extends-furlough-scheme-until-october>.

there were some big differences between SMEs and larger firms as can be seen in figure 2.1.

Figure 2.1. Changes to hiring plans due to Covid-19 by business size



As figure 2.1 shows the picture is considerably worse for non-graduates such as apprentices, than for graduates. It is also worse for short-term hires like interns and placement students. This may be because some employers are prioritising graduates over non-graduate entry level staff, whilst others have found it difficult to start new apprenticeships during the crisis. This finding aligns with data showing a massive disruption to apprenticeship starts as a result of Covid-19.¹³ Differences between the picture for graduates and non-graduates are also related to differences in the sectors and occupations where the two groups are found. This means that while graduates are not immune to the economic impacts of Covid-19, they are likely to weather the storm more easily than those without a degree.¹⁴

We explore sectoral differences in figure 2.2. It suggests that some of the worst impacts are within the *Built environment, Finance & professional services* and *Energy, engineering & industry* sectors. The only sector planning to revise any of its hiring plans upwards is the *Health & pharmaceuticals* sector.

¹³ Linford, N. (2020). Revealed: Covid-19 hit to apprenticeship starts. Retrieved from <https://feweek.co.uk/2020/04/30/revealed-covid-19-hit-to-apprenticeship-starts/>.

¹⁴ Allas, T., Canal, M., & Hunt, V. (2020). Covid-19 in the United Kingdom: Assessing jobs at risk and the impact on people and places. Retrieved from <https://www.mckinsey.com/industries/public-sector/our-insights/covid-19-in-the-united-kingdom-assessing-jobs-at-risk-and-the-impact-on-people-and-places>.

Figure 2.2. Changes to hiring plans due to Covid-19 by sector

| | Non-graduates (% change) | Graduates (% change) | Interns / placements (% change) |
|---------------------------------|-----------------------------|-------------------------|------------------------------------|
| Built environment | -75 | -45 | -65 |
| Charity & public sector | -72 | -1 | -3 |
| Finance & professional services | -44 | -12 | -56 |
| Energy, engineering & industry | -37 | -15 | -50 |
| Retail & FMCG | -30 | -18 | -32 |
| Legal | -21 | -4 | -8 |
| Digital & IT | -11 | -17 | -41 |
| Health & pharmaceuticals | 10 | -10 | -7 |

The most common reason given for changes to hiring plans across all respondents was ‘*Uncertainty*’, representing 39% of all reasons given.

Uncertainty surrounding the future - we are unsure of what projects will go ahead, the scale of inevitable recession and the likelihood that we might make redundancies.

Large employer, Built environment

After ‘*Uncertainty*’, there are disparities between the reasons given for changing recruitment plans between larger employers (including ISE members and non-ISE members) and SMEs. SMEs are concerned about the impact of the crisis on their businesses, with many minded to reduce or suspend recruitment as a result.

We will not hire in 2020/2021, as we expect considerably lower turnover in these years.

SME, Digital & IT

Larger employers are more likely to change their hiring plans due to concerns about supporting new hires, an inability to offer virtual alternatives to traditional internships, placements and work experience programmes and to save the business money.

The need to protect current staff by pausing their early careers recruitment or renegeing offers was a consideration for both large firms and SMEs.

Less certain economic future means we are less confident about hiring plans. Our first priority has to be to protect the jobs and income of our existing employees.

SME, Finance & professional services

We currently are running a recruitment freeze until our centres reopen and we can recover our losses/return our furloughed staff.

Large employer, Retail & FMCG

Reneging on job offers

Further insights on the current situation in the student labour market can be found in employers answers to questions about reneging on existing job offers to students. The decision to renege is usually a much bigger one than the decision to leave unfilled vacancies empty and so the number of firms reneging provides a good barometer of firms that are behaving in atypical ways. Across the sample 14% of respondents reported that they had already reneged on a job offer with renege rates particularly high in the *Built environment* sector (36%) and the *Retail & FMCG* sector (38%). Only 10% of SMEs reported having reneged.

Looking forwards, 14% of firms (12% of SMEs) were considering the possibility of reneging on more offers this year with the *Built environment* (28%) and *Retail & FMCG* (25%) again being the most likely to be considering further reneges.

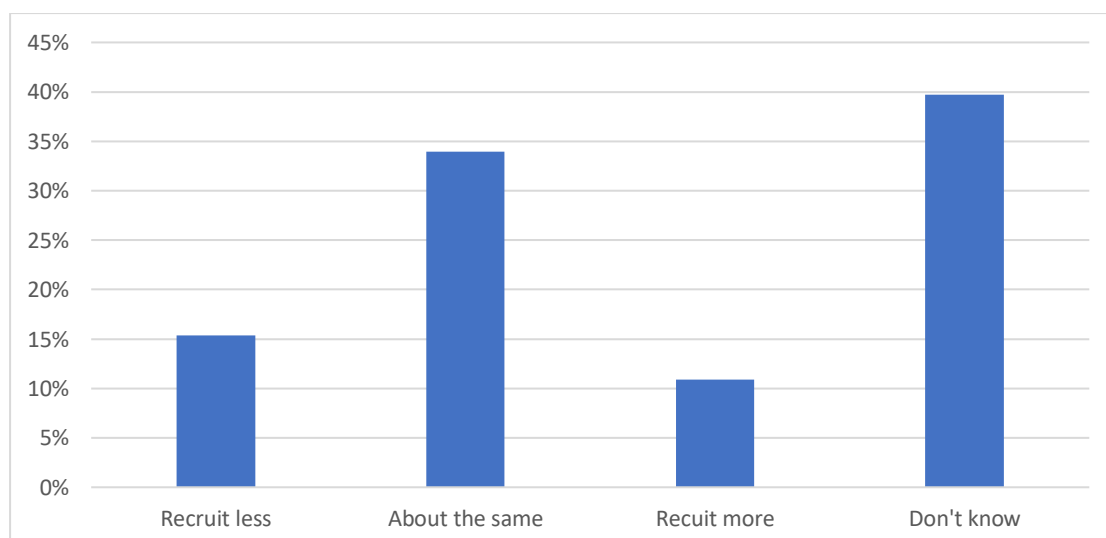
Future recruitment

One of the most important questions is whether the substantial changes in hiring numbers reported in figures 2.2 and 2.3 are confined to this year or whether they mark the beginning of a new pattern. We asked respondents to indicate whether they expect hiring numbers to go up or down during the 2020/2021 hiring season. However, as figure 2.4 shows a substantial minority are still not able to provide a clear answer on this. Employers are in the process of assessing the level of economic damage and their response to it. Consequently, it remains difficult to predict what might happen in the student labour market over the next year.

We have shifted our position several times over the last few weeks... Our approach is becoming more cautious as time goes on but each update has been communicated clearly by the executive team with a view to doing the 'right thing'.

Large employer, Digital & IT

Figure 2.3. Employers' expectations about how the total number of early career hires will change during 2020/2021 (next year) in comparison to this year



SMEs were more likely to report that they were unsure about next year (45%) and also more likely to report that they anticipated recruiting less early career hires (21%).

Furloughing

The Covid-19 crisis has raised critical issues relating to the functioning of the economy and employment. The decision by the government to effectively put the British economy on hold while the health crisis is addressed creates a challenging situation for the economy of the nation and for the functioning of businesses and households. To try and address this the government has introduced a range of business support services including the *Coronavirus Job Retention Scheme* which allows businesses to access financial support from the government to pay 80% of staff wages if the staff are not needed.¹⁵ This involves staff being temporarily laid off (furloughed) whilst they are not required.

On average respondents had furloughed 13% of their staff. ISE members reported that they furloughed less staff than non-members (6% vs 22%) and larger firms also furloughed a smaller proportion of staff than small and medium-sized firms (SMEs) (7% vs 27%). Sector was also an important determinant of firms' likelihood of furloughing staff (see figure 2.1).

Firms were slightly more likely to furlough entry-level staff than their wider staffing (an average of 14% of entry-level staff furloughed). Again, ISE members were furloughing a lower proportion of entry-level staff than non-members (9% vs 22%) and larger firms were furloughing a lower proportion than SMEs (8% vs 29%). Figure 2.1 sets out how the furloughing of staff breaks down by sector.

Figure 2.4 The proportion (%) of staff furloughed by sector

| Sector | Entry level | All staff |
|---------------------------------|-------------|-----------|
| Built environment | 42 | 18 |
| Energy, engineering & Industry | 25 | 25 |
| Retail & FMCG | 24 | 23 |
| Finance & professional services | 16 | 15 |
| Legal | 9 | 8 |
| Charity & public sector | 6 | 12 |
| Digital & IT | 6 | 8 |
| Health & pharmaceuticals | 0 | 1 |

The furloughing of staff also indirectly affects the recruitment and development of early career hires. Just over 10% of firms who rescinded, stalled, or changed their early career recruitment plans in response to the crisis did so because of concerns that they would be unable to provide them with sufficient staff support.

We pride ourselves on offering internships with high levels of line manager support, face to face development and great networking. Unfortunately, in

¹⁵ See <https://www.gov.uk/coronavirus/business-support> for further information about the support offered by the government for businesses.

the current environment we wouldn't be able to offer this.

Large employer, Finance and Professional Services

3. The hiring process

Although the level of recruitment is likely to be down most respondents are not reporting a complete cessation of their hiring. Consequently, many of them are still managing the recruitment process. In this section we will look at how Covid-19 is reshaping the hiring process this year and look forward to how the hiring process might work next year.

Awarding qualifications

One area where there has been an immediate impact from Covid-19 is on the awarding of qualifications. The government has set out a process for the awarding of GCSEs, A levels and equivalent vocational qualifications¹⁶, but around a quarter of respondents (26%) were concerned about this process. A similar proportion of employers (24%) report that if school and college qualifications are further delayed it will cause problems for their recruitment. Even small delays in timing could disrupt employer onboarding processes, particularly this year when they are already facing a host of other logistical issues. SMEs reported similar levels of concern but were less likely to report that this would impact on their onboarding processes.

Universities have also set out their approach to the assessment of degrees¹⁷, with about a third (31%) of respondents concerned about this process. A similar proportion of employers (32%) anticipate that a delay in the awarding of degrees will cause problems for their recruitment. Again, SMEs report similar levels of concern to larger businesses but anticipate less issues as a result of these problems.

We are keen to know what will happen with those due to commence post graduate qualifications this autumn as there will be students we have offered 2021 and 2022 Training Contracts to that will be due to do that.

Large employer, Legal

Employers were concerned that changes in the way that qualifications were awarded may lead to a more unfair system. As one employer said, we are concerned that *'grades may not be an accurate reflection of a graduate's true capability as many students focus their work towards their final exams/projects'* (large employer, digital & IT). Some respondents felt that disadvantaged groups might experience more bias because of the new system.

Another concern was that there would be an increase in the number of students claiming extenuating circumstances if they did not meet employers' qualification requirements. Clearly, many students might have a legitimate case for extenuating circumstances, but there is a danger that the volume of requests could overwhelm employers' capacity to deal with them. The issue of qualification requirements and extenuating circumstances for those

¹⁶ See <https://www.gov.uk/government/publications/gcse-as-and-a-level-awarding-summer-2020> for current government guidance.

¹⁷ See <https://ise.org.uk/page/covid19-hub> for ISE's summary of the current position of universities' assessment practices.

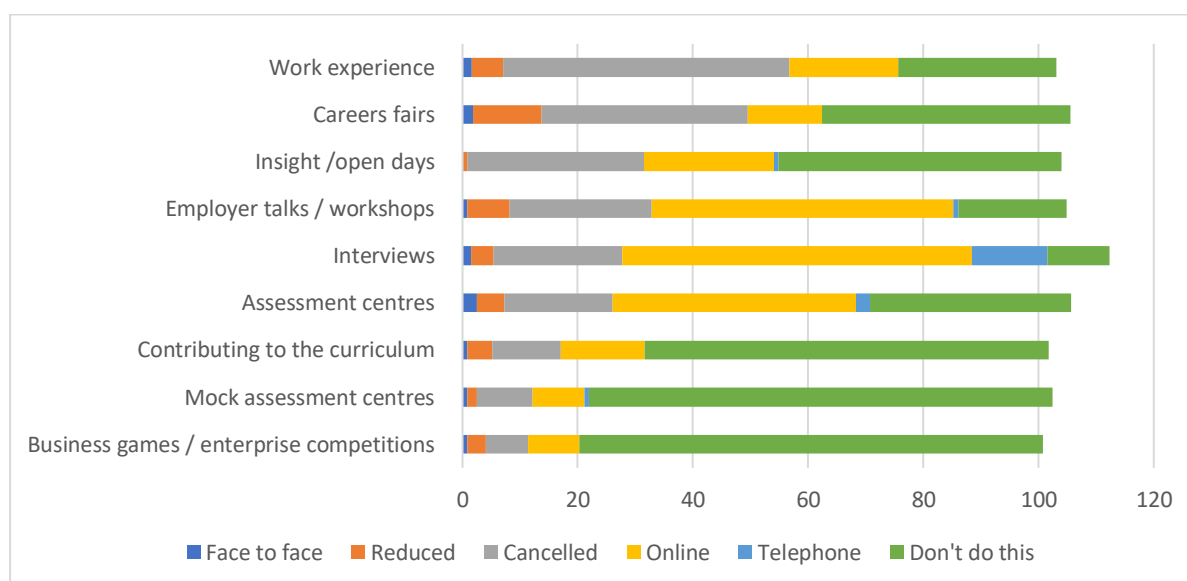
who do not meet them is even more pronounced for apprentices where candidates will have to satisfy both the employer and training provider requirements.

Other employers were less concerned. A number noted that all employers would be in a similar position and that they were anticipating grades being awarded on a similar timetable to usual. The proportion of employers who stipulate minimum academic requirements has been falling over recent years and so it is possible the current situation accelerates this process either temporarily or permanently.¹⁸ As one large employer from the *Finance & professional services* sector stated, the current situation does not cause any problems as ‘we assess on ability at assessment centres not on qualifications’.

Recruitment and selection activities this year

The process of recruitment and selection has been substantially disrupted by the Covid-19 crisis and lockdown. Figure 3.1 sets out how employers are dealing with a range of different recruitment and selection activities during the lockdown. With respect to each activity employers were asked to indicate whether they were carrying these activities on in the normal face-to-face way, reducing the number that they were doing, cancelling the activity altogether or moving it online or to a telephone based approach.

Figure 3.1. Changes to recruitment and selection activities during lockdown¹⁹



Unsurprisingly figure 3.1 suggests that there is very little activity that has been unaffected by the lockdown. Much face-to-face activity has been cancelled altogether with work experience, careers fairs and insight/open days particularly likely to meet this fate. Other activity has largely been moved online with the delivery of talks and workshop the main example of an outreach or attraction activity that falls into this category. Selection activities like interview and assessment centres have also largely been moved online. Some

¹⁸ Institute of Student Employers. (2019). *Inside student recruitment 2019: Findings of the ISE recruitment survey*. London: ISE.

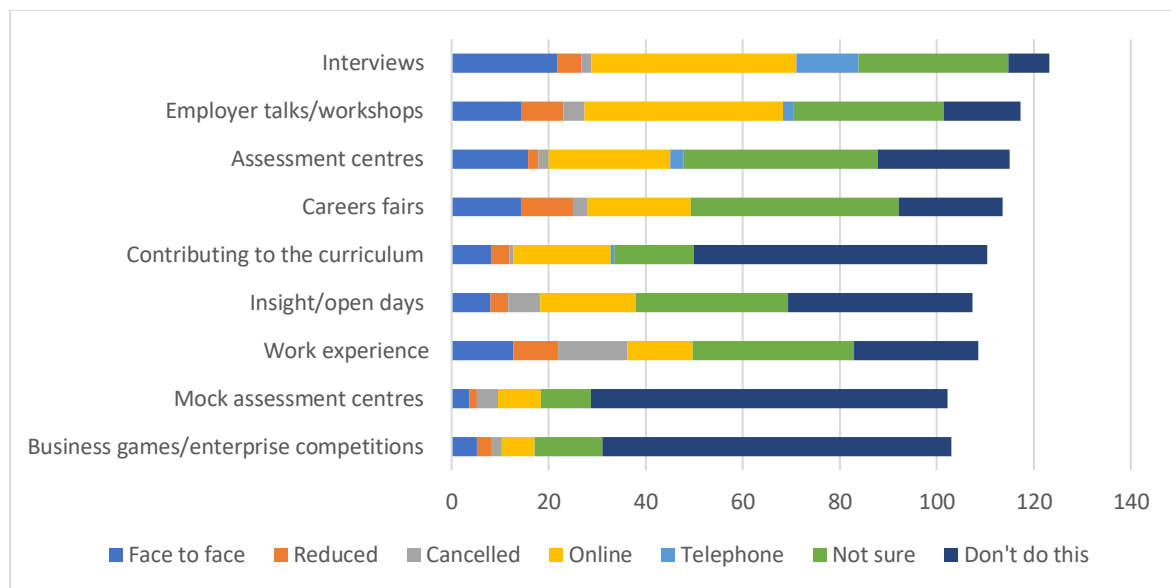
¹⁹ The proportions in this figure do not sum to 100% as some firms indicated that they were taking multiple approaches e.g. moving some activities online at the same time as reducing the overall amount of that activity that they were doing.

employers also reported that they had experienced more minimal impacts as the lockdown period had fallen outside of their usual recruitment period.

Future recruitment and selection activities

The changes associated with the lockdown are clearly exceptional, but it is not yet clear what the new normal will look like. A key question is whether any of the changes implemented during the lockdown will continue and become normal practice. We asked respondents to look forwards and indicate how they planned to manage these activities during autumn 2020. Figure 3.2 sets out their responses.

Figure 3.2. Anticipated changes to recruitment and selection activities during autumn 2020²⁰

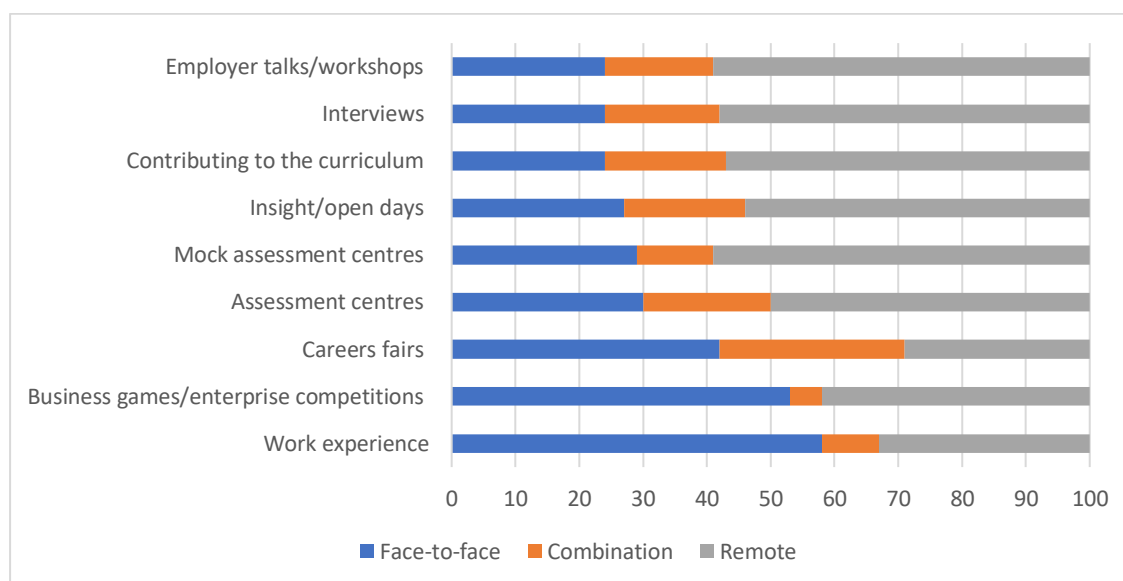


There are several important patterns in figure 3.2. Firstly, most employers are still planning for the autumn and do not have a clear approach yet. The most popular response amongst employers who deliver one of these activities is 'not sure' in almost every category. When employers completed the survey, it was unclear when lockdown would end and what the post-lockdown settlement would look like. However, clarity may be slow in coming, so it is interesting to look at the responses of those employers who were able to describe an approach to gain an insight into the likely direction of travel.

Figure 3.3 looks at the proportion of recruitment activity that is being undertaken in a face-to-face paradigm in contrast to the activity that is planned to take place remotely.

²⁰ The proportions in this figure do not sum to 100% as some firms indicated that they were taking multiple approaches e.g. moving some activities online at the same time as reducing the overall amount of that activity that they were doing.

Figure 3.3. The proportion of face-to-face and remote recruitment activity planned for autumn 2020²¹



This suggests that employers are anticipating a substantial move to online provision.

The only areas where more than 50% of respondents engaged with that activity are continuing with just face-to-face provision are business games and enterprise competitions and work experience. These are joined by careers fairs and assessment centres if both the face-to-face and combined categories are counted. For all other activities more than 50% of respondents who are planning to deliver that activity will do so online.

We will use the virtual methods we have introduced [as a result of the crisis] more as it is proving popular and becoming the new norm to reach more students outside of our usual areas.

Large employer, Digital & IT

These conclusions are supported by the qualitative data provided by employers. Whilst a small number of respondents specifically expressed their hopes to return to face-to-face recruitment, the vast majority expect most of their student and graduate attraction and selection activities to happen online, at least for the next recruitment cycle.

Key to our approach to Autumn 2020 will be flexibility, both in regards to virtual vs face to face but also in regards to scale... We expect to reduce the scale of our campus presence and scale the size of our virtual presence to fit with business need, whilst maintaining our employer brand and position within the market.

Large employer, Finance & Professional Services

²¹ This figure combines the 'face-to-face' and 'reduced' categories and the 'online' and 'telephone' categories from figure 2.6 to create the two new composite categories of 'face-to-face' and 'remote'.

These findings suggest that there is a strong chance that at least some of the new approaches developed, introduced or extended during the lockdown will continue into the autumn and may become part of the new normal.

4. Engaging with education providers

Student employers are used to being in close contact with education providers as part of their recruitment campaigns and for wider outreach activities. Covid-19 and the lockdown have substantially disrupted these activities as chapter 3 shows. In this chapter we will be looking at how employers would like educational providers to re-establish links during the lockdown and its aftermath.

Schools and colleges

Most employers were keen to stay in touch with schools and colleges. A third of respondents (33%) who discussed frequency of contact with schools and colleges expressed that they would prefer schools and colleges to engage with them as usual and just over a quarter (26%) would prefer to receive updates from education providers as soon as they are available. However, a substantial minority of firms would prefer schools and colleges to refrain from contacting them in the present circumstances. Forty per cent of the employers who gave their preference for when schools and colleges contact them about recruitment would prefer that contact was paused. For some, engagement can return to normal at the end of summer/beginning of autumn, whereas others express that they would prefer not to be contacted until 2021.

I think we will ready to restart these types of conversations later in the year, as an estimate, sometime between July and September. At the moment, many employees are on furlough leave and we're operating a far from normal level of service. The hope is that by the summer or early autumn the business will be clearer about the impact of Covid and a normality of sorts will be returning.

Large employer, Built environment

Employers would prefer for schools and colleges to reach out to them via established email communication channels (35% of respondents specifically mentioned communication via email or other online channels), though employers also have an appetite to engage in other virtual activities with schools and colleges. When asked how they would like to engage, just over 10% of responses indicated a desire to explore digital ways of engaging with students, such as virtual alternatives to careers fairs and employer presentations via zoom.

Everyone is trying to deal with this change, so contact by email is easier to manage. If they have ready-made solutions such as digital careers fairs or alternative engagement platforms then it will be one less thing for employers to have to consider.

Large employer, Energy & Engineering

When introducing new ways for employers to engage virtually with students, schools and colleges need to ensure that sufficient notice is given to employers to enable these activities

to be delivered successfully. A small but significant number of responses (8%) explicitly stated that early notice of plans and activities from schools and colleges is critical.

Contact in advance of activities. Too often, requests made by schools at short notice.

Large employer, Energy & Engineering

Higher education

In contrast to the situation with schools and colleges, the majority of employers who discussed their preferred frequency of communication were keen to maintain their engagement with higher education providers throughout the crisis (71%). This was particularly true for large employers who are conscious of planning attraction activities for their approaching recruitment cycle.

It will be useful to stay in touch via email to keep the relationships going, perhaps once a month... Provide updates as soon as they are known - keep open communication channels.

Large employer, Finance & professional services

SMEs are less likely to want to engage with universities until there is greater clarity about the situation. Three quarters of firms who stated that they wanted frequent contact and updates from universities were large employers. Slightly more SMEs than large employers stated that they were not looking to engage with universities until later in the year. This reflects the fact that smaller businesses are more likely to be experiencing critical disruption to cash flow and recruitment is a lesser priority than survival (see section 6).

Employers, especially small ones have a lot on their plates. Just be ready for when we need to start hiring again - make it easy, prep students, create talent banks, provide SME support and funding to recruit.

SME, Finance & professional services

Firms of all sizes and sectors want universities to confirm as soon as possible whether and when students will be on campus, their assessment and qualification awarding plans and whether activities, such as careers fairs, will move to a virtual format. Education providers are facing the same uncertain climate as employers and it is unlikely that such decisions will be straightforward. Given this, it is crucial that both parties are patient and flexible during this period of uncertainty.

We would want to understand what virtual university run events will be explored and what support will be best/most needed from employers - especially if face-to-face work experience opportunities are limited. Particularly keen to understand the approach for underrepresented groups.

Large employer, Finance & Professional Services

A key theme across sectors and sizes of firms is that they are looking to universities to take the lead in providing virtual opportunities to attract and recruit early careers talent.

Be as flexible as possible as to what is available and how we can engage with students - be creative and engage with us with suggestions on what would work (don't expect us to come up with all the answers, you know your students).

Large employer, Finance & professional service

5. Managing and developing entry-level hires

The phased release from lockdown raises several issues for those firms that are intending to start new entry-level hires this year. While start dates for new hires vary, it is common for them to begin work in late summer or early autumn. It also raises issues for the management and development of new hires once they are inducted.

Induction

More than a third of employers (38%) intend to start new hires as normal, but 31% anticipate delaying the start date, with a further 31% still undecided. This issue is particularly notable in the retail sector where 50% of firms intend to delay their start date. Firms are still dealing with a lot of uncertainty in relation to the relationship between their induction processes and lockdown requirements.

A delay will happen until it is possible to be able to induct the staff into the office physically. Start dates will not take place until this is possible. As lockdown should be lifted by the start dates planned however this should not be an issue hopefully.

SME, Finance & professional services

Most firms were unable to say exactly when they would be delaying their start dates to with any precision. Figure 5.1 provides an indication of the relative popularity of different months as new start dates for the 2020 intake of graduates and apprentices.

Figure 5.1. The relative frequency of months highlighted by employers as possible alternative start dates for new hires (larger months were mentioned more frequently)



If the country is still in lockdown or partial lockdown in the autumn 55% of firms report that they will induct their new hires remotely. This figure was much higher (88%) in the Digital & IT sector and much lower for SMEs (28%). Respondents reported using a range of different technologies to manage the remote induction of staff including a range of video conferencing and remote working applications like Microsoft Team, Skype and Zoom. Some reported that they had been using online induction approaches since the start of the lockdown or before and so were comfortable in doing this. Others were in the process of designing an online onboarding process, sometimes with the support of a supplier that combined a range of different technologies. This often includes a process to ship laptops and other key work equipment to students when they start.

Learning and development

Most respondents anticipated that the learning and development that they offered for new hires would have to change, with 73% of respondents anticipating that they would have to deliver more learning and development provision online, 12% expecting to shorten their learning and development programmes and 22% delaying or postponing provision. There were some issues associated with managing apprenticeship providers with 20% of firms that employ apprentices reporting that they had experienced some problems in working with apprenticeship providers during this period. Research by the Association of Employment and Learning Providers suggests that apprenticeship providers have been hit by a variety of problems including a fall in demand, issues with government contracts and cashflow and challenges in delivering programmes during lockdown.²²

Of the respondents experiencing problems with apprenticeship suppliers, just over 25% reported problems contacting their providers, which is typically a result of the furloughing of staff within providers.

Furlough has meant it's been difficult contacting our usual contacts, either they themselves are on furlough or are picking up large workloads due to their colleagues being impacted.

Large employer, Retail & FMCG

Other common problems respondents are experiencing with apprenticeship providers are rescheduling and delays (10%), problems with how students are supported (10%), lack of clarity around exams and assessment (10%) and difficulties in providers switching to digital delivery (10%).

There have been issues getting learning materials to the apprentices, delays in classes and exams and general uncertainty arounds the ongoing provision of study and how it will work.

SME, Finance & Professional Services.

²² Association of Employment and Learning Providers. (2020). Apprenticeship starts falling off a cliff. Retrieved from <https://www.aelp.org.uk/news/news/press-releases/apprenticeship-starts-falling-off-a-cliff/>.

Wellbeing

Almost all respondents (94%) also reported that they were providing support to help staff manage their health and wellbeing during lockdown. This support includes a mix of online social activities, access to counselling and mental health and wellbeing services, advice on working practices and expectations on managers to keep in touch with their reports.

6. Reflections on the crisis

Respondents were given the opportunity to leave any final thoughts about their response to the crisis so far and how they feel the crisis will affect their business over the long term. Qualitative responses were categorised as broadly positive, negative or neutral.

Large employers (ISE members and non-ISE members)

Over 50% of responses from large employers are positive (53%), 23% of responses were neutral and 30% were negative. Many large employers reflected on how the crisis has provided a catalyst for changes to traditional recruitment practices, with flexible working arrangements, less travel and adoption of more agile, technology-driven approaches to recruitment and within the business more generally.

Culturally there may also be an impact on how we approach flexible working; we are already open to working from home but this is relatively limited. This experience could expand now the set up has been 'proven'.

Large employer, Digital & IT

Many large employers feel that their organisation has responded well to the crisis, with good leadership, communication across the business and a focus on staff wellbeing all flagged as reasons why their organisation has been able to respond effectively.

The company has been very supportive of all employees. Customers have remained the focus ensuring vulnerable and those in need a priority for us. The speed of change and willingness to embrace new approaches has been amazing and staff been supportive throughout.

Large employer, Finance & professional services

The greatest concerns for large employers are the financial impact on the business (40% of all negative responses) and the impact on recruitment (37% of negative responses). Some organisations expect significant changes to working arrangements and recruitment plans to cope with financial instability, including reduced working weeks, reduced budgets for recruitment and significantly reduced business growth.

For early careers specifically, our graduate talent pipeline is reduced as we are not running a full internship programme this year. This in turn will affect our diversity plans as we typically see more female applicants for intern roles vs. graduate roles.

Large employer, Digital & IT

Small and medium sized employers

Whilst positive consequences of the crisis, such as a move to flexible working and effective responses to the crisis, were also mentioned by SMEs, the overall picture from SMEs who responded to this survey is somewhat bleaker than for the larger employers. Half of all responses are negative, with 30% positive and 20% neutral responses. Just under half (47%) of negative responses from SMEs concerned the financial impact of Covid-19 on their organisation, with a small number of respondents considerably worried about the future survival of their business.

It is not clear the company will survive at the moment. We are battling away hard but the key period of danger will be after the furloughing/lockdown period, not during.

SME, Finance & Professional Services

Sectoral differences

Respondents' reflections about the crisis and their thinking about the future varied in important ways by sector. An analysis of the qualitative data provides some useful insights into these differences.

The most frequently mentioned concern in the *Energy, engineering & industry* sector is how the return to normal working will be managed. Firms specifically mentioned backlogs of work, concerns about when they will train new recruits and the knock-on impact of delayed training. They raised concerns that no mechanisms or funding streams have been put in place to allow organisations to grow after the crisis is over.

At the moment most of the available funding is focused on damage limitation and preventing a recession. There are new opportunities however, but exploiting them is difficult when there is little focus or funding available for growth.

SME, Energy, engineering & industry

Whilst many large employers could see some positive long-term impacts from the crisis this was not universally the case. A quarter of responses from large *Legal and Finance & professional services* employers indicated concerns about the financial impact on their organisation.

Some of our legal departments have found that work has dropped off and this will impact on profit. A potential recession will impact on work significantly. In the short term we have ceased all business services and legal recruitment.

Large employer, Legal

The impact of Covid-19 on the financial success of organisations was also the greatest concern of large employers in the *Retail & FMCG* sector (57% of responses).

Significant financial implications due to losing over 1/3 of our custom and not limited rate relief - this will impact on the volume of graduates needed

and therefore started.

Large employer, Retail and FMCG

As well as concerns, some firms highlighted positives to arise from the crisis. The third most common reflection for *Charity & public sector* organisations was that although the crisis had increased their workload it had also highlighted the importance of their work.

Our workload has significantly increased... We have adapted to holding our briefings online when they used to be strictly face-to-face. This has allowed us to engage with more international professionals in our field. Overall, we are more needed, more relevant and working harder than ever.

SME, Charity & public sector

7. Conclusions

For many firms, the future remains unclear. Most respondents to the survey have weathered the lockdown and switched key elements of their recruitment and businesses online. The decrease in recruitment this year is concerning for young people who are likely to suffer long-term damage to their careers as a consequence of leaving education in an economic downturn.²³ Yet, despite the downturn most employers, particularly the larger employers, have not ceased recruitment altogether. It currently looks like there will still be jobs for many graduates and school leavers, even if the drop in recruitment numbers may also lead some of their classmates to be disappointed and at risk of unemployment.

The recruitment picture for 2020 is becoming increasingly clear. The student labour market is currently down but not out. However, the real impact of Covid-19 may be felt after the immediate crisis has passed and things begin to return to whatever constitutes the new normal. For some, the removal of government grants and economic recession will mean that they struggle to survive. For others, volatility in the global economy will present new opportunities; businesses that can capitalise on these may face increases in workloads and be required to recruit quickly. A key question is what will both the recession and the bounce-back look like.

I worry that things will start to bounce back more quickly than others are expecting and we're not ready for it and as a result, things will be very bitty and messy. I'm gearing up for a cycle that is as agile as it is adaptable whilst still putting the candidate first.

Large employer, Energy, engineering & industry

At present very little is clear about the future. One thing that we can be certain of is that the young people who are currently in education should remain as one of the country's most prized assets. Those young people should prepare themselves for entering a challenging labour market in the process of rapid change. If these young people are to have the best opportunity to continue to contribute their talents to the economy, educational providers will

²³ Henehan, K. (2020). *Class of 2020: Education leavers in the current crisis*. London: Resolution Foundation; National Youth Trends. (2020). *Take the temperature*. London: National Youth Trends.

need to continue to provide excellent career support, employers will need to continue to recruit entry-level hires and develop them and the government will need to keep a watchful eye on the student labour market and support it in ways that prevent a generation of talent being lost.

The findings of this survey provide useful data that can help to shape the response to the crisis of all of the key actors. Educational providers, employers and young people are all facing challenging times. If, with the government's support, they can continue to work together and invest in young people, we may be able to make the most of the next generation as the economy is rebuilt in the aftermath of Covid-19.