

Media Release

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Embargoed until 9:30 pm, Friday 20, February 2009

New research sheds light on an uncertain labour market

Almost three in five graduate employers surveyed in late 2008 felt that the current instability in the world financial markets would have some impact on their recruitment of new graduates during 2009, according to research conducted by Graduate Careers Australia (GCA).

Of this group, whilst nearly three-quarters indicated that they would *definitely not* cancel their graduate programs, nine per cent indicated that they would *definitely* reduce the number of graduates employed and almost 70 per cent indicating that they would *consider* reducing their 2010 intake of 2009 graduates.

GCA surveyed graduate employers for the *2008 Graduate Outlook* survey to investigate how they planned to respond to the economic downturn and how this might impact on their graduate intake.

GCA Executive Director, Cindy Tilbrook, said that GCA has fast-tracked the release of their research findings to help graduates make informed career decisions in an increasingly uncertain labour market.

“With the increasing level of concern in the community about the impact of the economic downturn on employment rates, information to assist graduates in making career decisions is vital,” Ms Tilbrook said.

She added that, “Despite the economic downturn, it is still important for graduate recruiters to consider the longer term position and not just the short-term when reviewing their graduate programs. Some of the underlying factors that have driven the recent boom in graduate recruitment in Australia are still relevant (such as the overall ‘ageing’ of the workforce), and graduate recruiters can use the current situation to place themselves in a preferential position in the eyes of graduates through a commitment to their graduate programs in these difficult times. A continued intake of graduates will also ensure that these recruiters are well placed to maximise opportunities as soon as the economic climate starts to turn”.

GCA also surveyed current university students for the *2008 University & Beyond* survey to investigate whether students’ career expectations are in line with those of graduate employers.

Summary reports of the *2008 Graduate Outlook* and *University & Beyond* surveys can be downloaded free of charge from www.graduatecareers.com.au.

Further information and comment

For a more detailed account of the findings see attached MEDIA BACKGROUNDER. Copies of the report snapshot summaries can be downloaded from the GCA website, www.graduatecareers.com.au.

For comment please contact Cindy Tilbrook on (03) 9605 3740 / 0438 988 772, or Graeme Bryant (GCA Senior Research Associate) on (02) 9605 3710.



Media Backgrounder

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Two new reports examining the expectations of graduate employers and university students have just been released by Graduate Careers Australia (GCA).

Graduate Outlook 2008 is based on the views of 306 leading graduate employers across Australia and New Zealand, and covers their expectations for the period of financial instability we now face. The report examines:

- trends in local and international graduate recruitment
- key issues that graduate recruiters face
- the attributes that recruiters are looking for in graduates.

University & Beyond 2008 explored the attitudes and expectations of around 27,500 students from 19 Australian universities and is the largest survey in Australia of the expectations and perceptions of current university students. The survey is conducted through financial assistance provided by the Department of Education, Employment and Workplace Relations (DEEWR).

The information in these reports will be of value to a variety of audiences. New and recent graduates (and those about to start their final year of study) can inform their job search with an understanding of graduate recruiters' intentions and requirements. Graduate recruiters can consider the expectations of university students to fine-tune their recruitment programs by tailoring their efforts to maximise the quality of their applicants while minimising their costs.

What do Recruiters Want?

The **top three key selection criteria** used for recruiting graduates were:

- interpersonal and communication skills
- passion, a knowledge of the industry, drive and commitment
- critical reasoning and analytical skills, problem solving ability, lateral thinking and technical skills.

Asked to **rank their 2008 graduate applicants** on a variety of characteristics, the top three listed by employers were:

- academic results
- communication skills
- level of extra-curricular activities

Recruiters rated applicants lowest on their knowledge of the recruiter's organisation and their demonstrated work experience.

The development of core employability skills from a university education is a frequently discussed topic, with graduate employers often expressing a desire for 'well-rounded' applicants who have a range of core 'job-ready' employability skills as well as those with outstanding academic achievements. Of their own core employability skills, more than three-quarters of students rated their learning and teamwork skills as being 'fairly strong' or 'very strong' with around three-quarters of students rating their communication and problem solving skills relatively highly. Students rated their technical skills resulting from their course as the least strong.

How do Applicants find Recruiters?

Noting that recruiters see it as important that applicants have an understanding of their industry, around a third of domestic students in the middle or nearing the end of their courses considered an employment website to be the best way to initially find out about a graduate employer. General knowledge, word of mouth and internet searches were also highly rated.

When it came to finding out *more* about a graduate employer, three-quarters of students would, at some point in their search, visit the organisation's website, while nearly two-thirds would do an internet search and just over half would approach the employer directly for more information.

What do Graduates Want?

Doing work that is interesting and challenging emerged as the most important factor for new graduates who were considering a potential employer. This was followed by a need for good training opportunities, to be developing new skills, and achieving work/life balance.

Generally, male students placed more value on the 'extrinsic' rewards of employment, such as above average earnings, opportunities for advancement and the potential for international travel. Female students were interested in more 'intrinsic' rewards such as conducting interesting and challenging work, working for an environmentally sound company and making a contribution to society.

Both the 2007 and 2008 University and Beyond surveys have indicated that students value job security highly, and this would be expected to continue or increase, given the uncertainty in the current labour market. However, whilst graduates valued job security fairly highly (ranked seventh out of 13 employment related factors), employers did not see graduates as valuing job security highly at all (ranked 12th out of 13).

Graduates and employers also have differing perceptions of what 'job security' actually means, with graduates defining it as "working in an industry where they were unlikely to be made redundant or dismissed" and "the potential for ongoing employment with one employer", whereas employers were more likely to perceive that graduates define job security as "knowing that they had the necessary skills and abilities to get another job quickly if they wanted to".

Related to this, the retention of new recruits is a great concern for employers, but GCA's research suggested that employers generally underestimated the length of time that they thought recruits intended to spend with their first ideal employer. Nearly one third of students indicated that they intended to stay five or more years with their *ideal* first employer. Just under one third indicated that they would stay between three and five years while just over one third indicated that they intended to stay between one and three years.

Graduates in an Economic Downturn

The current economic downturn is not the first that new graduates have faced and GCA's Graduate Destination Survey has, over the years, recorded how the labour market for graduates has been affected, and how graduates have responded, at such times.

- When employment opportunities are reduced, many graduates opt to continue their full-time studies, with a view to improving their qualifications in order to stand out from the increasing number of bachelor degree graduates coming out of the higher education system.
- Graduate salaries, relative to average earnings in the community, tend to fall as graduates take non-graduate level work and thus earn lower salaries.
- Some graduates find themselves in areas of employment they might not have previously considered and these jobs might be stop-gap until the labour market improves. In the interim, these graduates are earning and developing important work-related skills.

- Some graduates take longer to find appropriate work than they might have in previous years. However Australian Bureau of Statistics data show that graduates aged 15-64 in the workforce have an unemployment rate half that of non-graduates.

Higher education remains a vital component in individual and occupational development and success.

Further information and comment: Cindy Tilbrook on (03) 9605 3740 / 0438 988 772, or Graeme Bryant (GCA Senior Research Associate) on (02) 9605 3710.