

Media Release: Graduate Recruitment

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Embargoed until 11:30 pm, Tuesday, 2 March, 2010

2010 shaping up as a better year for graduates

Graduates seeking employment can expect many more opportunities in 2010, according to recently released findings from the 2009 Graduate Outlook Survey.

The research, conducted by Graduate Careers Australia (GCA), revealed that around 21 per cent of surveyed employers intend to increase the scale of their graduate recruitment program in 2010.

This comes after a difficult period for graduate jobseekers. The research also revealed that 29 per cent of surveyed employers indicated that they decreased the scale of their graduate recruitment program in 2009 as a direct result of the global financial crisis (GFC). A further five per cent of surveyed employers indicated that they cancelled their graduate program altogether.

GCA Acting Executive Director, Bruce Guthrie, said that this suggests that the graduate employment market is recovering from the downturn brought about by the GFC.

“It is encouraging to see that graduate recruitment in Australia is on the way to returning to pre-crisis levels”, Mr. Guthrie said.

“An investment in graduate employees is also an investment in the future of the recruiter, so this is good news for the Australian economy as a whole”, Mr. Guthrie said.

The Graduate Outlook Survey also examined what employers look for in their graduate employees. Employers generally considered interpersonal and communication skills above all else when evaluating potential employees, although their industry knowledge, drive and commitment, and attitude were also very important.

Lack of drive, motivation, enthusiasm and initiative were generally considered by employers to be the least desirable characteristics in a graduate candidate. Employers also did not want to see candidates with a poor attitude, lack of work ethic and a generally poor approach to their work.

The Graduate Outlook Survey, now in its fifth year, is an annual investigation into the state of the graduate labour market in Australasia. More than 400 graduate employers completed the 2009 survey.

Further information and comment

For further information please refer to the attached Media Backgrounder. Copies of the recently released report, *Graduate Outlook 2009*, can be downloaded from the GCA website: www.graduatecareers.com.au. Go to News Room / Media Centre and log-in using ‘media’ (password: ‘media’).

For comment please contact Bruce Guthrie (Acting Executive Director) on (02) 6367 5347 / 0418 253 530 or David Carroll (Research Associate) on (03) 9605 3713 / 0407 375 859.

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Graduate Outlook 2009, the most recent edition of Graduate Careers Australia's (GCA) annual report on recruitment practices and trends in Australia and New Zealand, was well-placed to investigate the impact of the global financial crisis (GFC) on graduate recruitment. Based on the feedback of more than 400 employers across a range of industries, *Graduate Outlook 2009* investigates the extent of this impact on graduates' employment prospects and whether the effect is likely to continue into the future.

In addition to investigating the impact of the GFC on graduate recruitment, *Graduate Outlook 2009* investigated other important topics such as recruitment practices, the retention of employees and employers' beliefs about the most important challenges facing them now and in the future.

Graduate Recruitment in 2009

- In spite of the GFC, the vast majority of employers surveyed (93.1 per cent) indicated that they still recruited graduates in 2009. This suggests that relatively few employers responded to the GFC by cancelling their graduate recruitment activities outright.
- Many employers responded to the financial pressures imposed on them by the GFC by reducing the size of their graduate cohorts. Relative to 2008, fewer employers indicated that they recruited more than 20 graduates in 2009 (33.2 per cent vs. 28.3 per cent respectively).
- Around a fifth of employers (21.6 per cent) indicated that they would have recruited more graduates in 2009 had more suitable candidates been available, considerably down from 46.8 per cent in 2008 and 64.5 per cent in 2007.
- When asked about their graduate recruitment intentions for 2010, 21.1 per cent of employers indicated that they intended to increase the scale of their graduate program relative to 2009.

Graduate Skills Shortages

- Overall, 30.7 per cent of employers had trouble sourcing graduates from a particular discipline area in 2009, down considerably from 53.5 per cent in 2008 and 62.4 per cent in 2007.
- Resource Engineering/Earth Sciences graduates were again in high demand in 2009. Around a quarter (25.9 per cent) of the employers who indicated that they had trouble sourcing graduates from a particular discipline area experienced difficulty sourcing enough of these graduates.

Recruitment of international Graduates

- The proportion of employers who recruited international graduates fell from 35.3 per cent in 2008 to only 20.5 per cent in 2009, bringing to an end a four year period of continual growth.
- When faced with worsening economic conditions and a much less competitive labour market, it is possible that some employers would not have gone to the additional effort or expense of recruiting international graduates if suitably qualified domestic graduates were available.

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- Although this decline in the recruitment of international graduates was experienced by all industries under examination in *Graduate Outlook 2009*, the largest decline was observed in regard to employers in Legal/Professional services with a decrease of 36.3 percentage points between 2008 and 2009.

Graduate Recruitment Practices

- For the third consecutive year, 'interpersonal and communication skills' emerged as the most important selection criterion used when evaluating graduates.
- 'Lack of drive, motivation, enthusiasm and initiative' was considered by the majority of employers to be the least desirable characteristic in a graduate employee.
- Graduates' employment histories were considered by employers to be the single most important aspect of their resumes.

Key Issues Facing Graduate Employers

- Even in a year of reduced graduate intake, 'recruitment of the 'right' graduates' was identified as the most critical recruitment issue currently faced by employers (nominated by 90.1 per cent).
- Employers also considered 'retention of graduate employees' to be an important issue, both currently (nominated by 84.3 per cent) and even more so in the future (nominated by 88.7 per cent).

Graduate Retention

- On average, around one in ten graduates will not see out their first year with an employer and, by the end of their fifth year of employment, around half of the commencing graduate cohort will have moved on.
- The working relationship with their direct manager/supervisor was considered by the largest proportion of employers (88.8 per cent) to be an important influence on the graduate's decision to change employers. Other important influencers included organisational culture, seeking greater opportunities for advancement and seeking a greater breadth of work experience.
- Graduate training and development activities, including workplace activities as well as providing support for training and development outside the organisation, were considered effective retention strategies by the vast majority of employers.

Further information and comment

For comment please contact Bruce Guthrie (Acting Executive Director) on (02) 6367 5347 / 0418 253 530 or David Carroll (Research Associate) on (03) 9605 3713 / 0407 375 859.