



FUTURE TALENT INSIGHTS REPORT 2015

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Future Talent Recruitment Insights 2015



Foreword

Welcome to the third edition of GradWeb's annual **Future Talent Insights Report**; bigger and better than ever with data taken from more than 60 UK employers, who between them received more than 475,000 applications in the 2013-14 season. This is a huge sample pool of real, tangible application data.

Remember, the Insights Report is not a survey; it is compiled from application data, so it is the only report in the market to provide a genuine insight into what is happening within this fascinating arena.

Part 1 will enable you to benchmark your programmes using our Application to Hire ratios, Diversity statistics, Intern Conversion Rates and Cost Per Hire data and evaluate your attraction campaigns in light of our University and Media Source success analysis.

Part 2 then gets firmly under the skin of assessment processes; GradWeb's occupational psychologists have used this huge sample of application data to conduct a deep and specialised analysis into which competencies and selection tools are most predictive of success.

Discover

- Which key criteria most effectively predict future success
- Which exercises are more effective than others at predicting success in a recruitment process
- What actions can be taken to improve conversion rates
- How Adverse Impact or bias can be minimised and Diversity improved
- How assessment processes can be standardised so they can be utilised globally
- Innovative solutions that can be introduced

A dramatic shift has taken place in the market this year, as evidenced by this report: we are entering a seller's market again for the first time since 2007.



+ [Click here](#) to find out how we can help you interpret the data and its impact on your organisation and strategy.

Regardless of the economic context, the UK's Future Talent market has always been and will continue to be highly competitive and, in a global context, leading edge. There has therefore never been a time when Future Talent recruiters can rest on their laurels.

A dramatic shift has however taken place in the market this year, as evidenced by this report: we are entering a seller's market again for the first time since 2007. It is therefore even more critical than it has been in recent memory that organisations' strategies are fine-tuned and firmly on target. The data included in this report will help recipients steer an educated course and ensure that they are doing the right things in the right ways and in the right places to maximise their chances of success in what looks set to be the most fiercely contested market we have seen for nearly a decade.

Unfortunately, despite the economic upturn and corresponding pickup in demand, recruiters are not being blessed with additional budget or resource, they are being asked to do more with less. Therefore the pressure is on to run processes and programmes that are ever more efficient, and demonstrate both a proportionately lower impact on the bottom line combined with a greater impact on the top line. Whether you need to justify your existing spend, evaluate your current processes,

introduce new selection tools, cut out low value-add content or improve efficiencies, over the next few pages you should find the data you need to help you maximise your strategic alignment and Return On Investment (ROI).

We recognise though that having access to the data is one thing but having the time to do what you need to do with it is another so do keep in mind that GradWeb are experts in the Future Talent space. We will be happy to help you interpret the data and its impact for your organisation and strategy. We focus heavily on maximising a programme's ROI so our fees are almost always covered by the reduction in cost or improvement in return that we are able to help you drive.

So... it's an exciting, dynamic and pressurised environment that we're operating in but, as my old teacher was famous for saying, "pressure makes diamonds." Let's take a quick look at some of the key characteristics of the market we're going to be facing over the next 12 months before we dive into the detail of the report's findings:

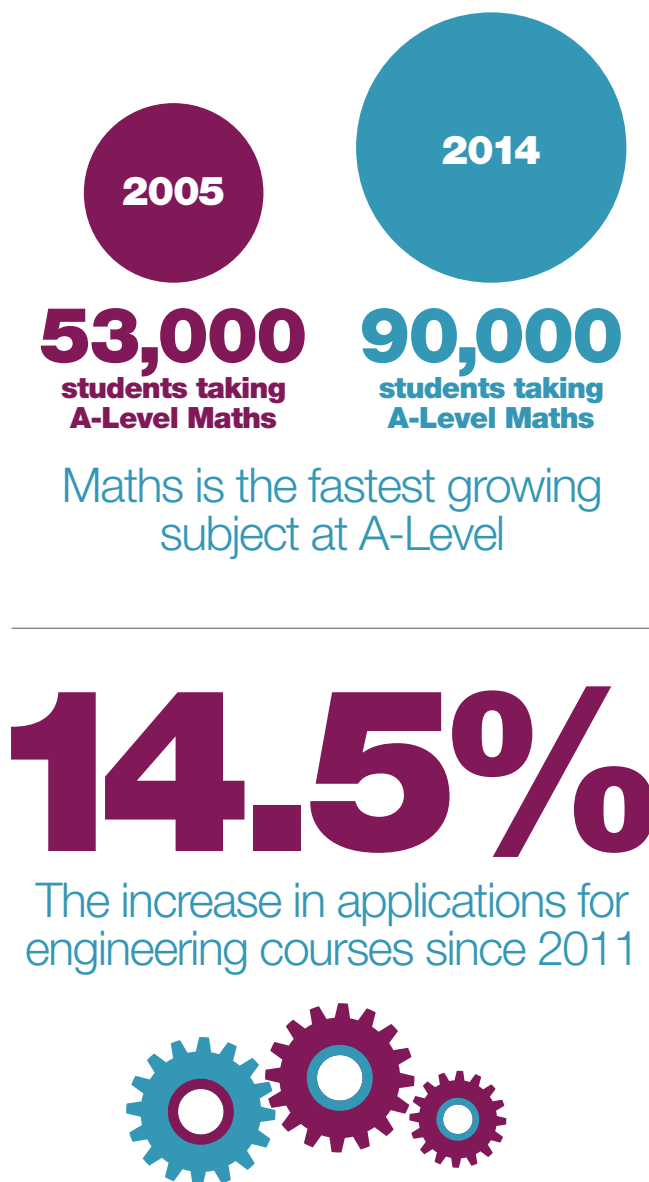
The Skills Landscape

According to the AGR's recent Winter Survey, last year 1,422 vacancies amongst their members went unfilled. Despite the significant number of young people unemployed (research by TargetJobs

shows that 15% of people are unable to find work within the first year of leaving education) the skills and abilities that employers are targeting for their graduate programmes are in short supply.

Employers who are proving unable to 'buy' the talent they require are having to revert to 'building' the talent instead. Many aren't choosing to use graduate talent as a starting point for that development though as degrees demand a salary premium. Unless there are professional reasons why a degree is mandatory, many are putting their investment into school leaver and apprenticeship programmes where starting salaries are lower and funds can therefore be channelled into developing the bespoke skills and abilities that the organisation requires.

This unfortunately doesn't mean that competition for graduates is reducing. With the aforementioned increase in vacancy numbers generally, graduates are still in high demand. What it does mean is that the expectations organisations have of their graduates are increasing. If apprentices or school leavers are able to deliver 'A' as soon as they walk through the door, the more expensive graduates need to be able to deliver twice as much value. This therefore means that an ever shrinking proportion of the total graduate population is in ever increasing demand.

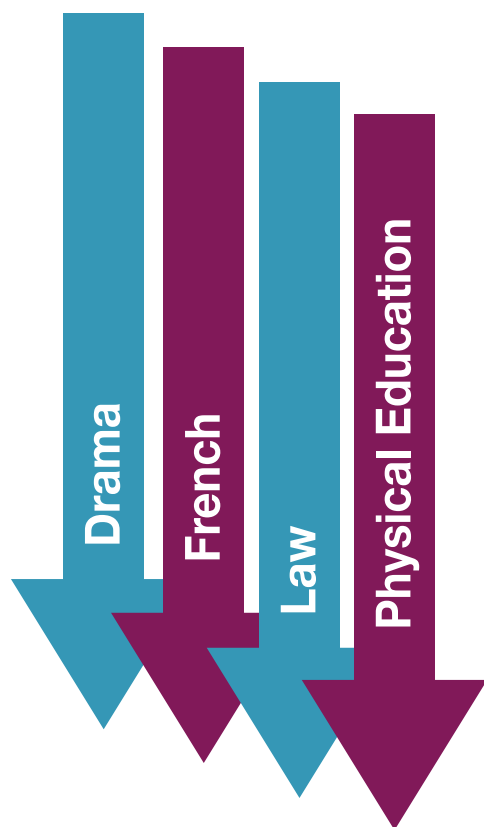


If there is an area we can be very positive about though, it is the continued improvement in the numbers of children and young adults studying technical / scientific subjects at school and university. After last year's significant improvements, we were interested to see what had occurred in the last twelve months. And things are looking good.

UCAS data tells us that interest in studying engineering disciplines is on the rise, with an almost 14.5% increase in applications for engineering courses since 2011, and a 12% increase in acceptances over the same period. These increases are not enough to eradicate the skills shortage, but at least the trend is moving in the right direction. Sadly, due to the 3 to 4 year lag of the higher education cycle, this increased talent pool is unlikely to make any immediate difference to the employment landscape, but if the trend can be maintained then the future begins to look a little brighter.

In terms of the more distant pipeline, the trends within schools and colleges are also positive. Over the last ten years, the fastest growing subject studied at A-level is Maths, increasing from around 53,000 students in 2005 to a little under 90,000 in 2014. Computing has shown the biggest single year-on-year rise (a staggering 11%), whilst Chemistry, Physics and Further Mathematics all continue to rise in popularity.

Subjects showing the biggest drops in popularity since increased university tuition fees were introduced in 2012 include Physical Education, Law, French and Drama. From the perspective of employers who require Science, Technology, Engineering and Mathematics (STEM) knowledge for their apprentices and graduates, this is positive news even if patience is necessary for a while longer.



Recruitment

From an attraction perspective, the Milkround still limps on with most organisations continuing to see increased return from less traditional approaches on campus. Whether it's a simple pizza stall outside a key lecture or an intriguing campaign combined with an engaging stunt, the secret is in taking a targeted and data-driven approach. We are also seeing a number of organisations speaking to us about breaking down the barrier between marketing and assessment and we are designing a number of selection tools which can be used on campus to identify candidates who have the skills and abilities required to be fast-tracked through assessment processes.

20% of our contributors this year stated that they used Video Interviewing as a core part of their recruitment process and we can see this trend getting ever stronger.

More broadly within assessment and selection, some interesting trends have emerged from our data this year. Perhaps unsurprisingly, the 2013-14 data appears to show that the Video Interview took its place as one of the standard tools for graduate recruitment. In total, 20% of our contributors this year stated that they used Video Interviewing as a core part of their recruitment process and we can see this trend getting ever stronger.

Some do remain unconvinced about this new technology, but as with anything that is truly new, it takes time for people to both adopt and become comfortable with it. With the increasingly competitive market, we can understand organisations' reluctance to introduce innovations which they perceive may be off-putting to applicants.

That having been said, separate research conducted by GradWeb shows that we may be guilty of underestimating our target audience: graduates have proved remarkably accepting of the new technology, reporting no impact on their perception of the organisation's appeal and an understanding of the drivers which would encourage a company to introduce such a tool. Also, as we frequently point out to clients nervous about making the big leap, graduates have never been big fans of ability tests yet that hasn't prevented the tests from being core

elements of nearly every high volume graduate selection process!

Those who have been the most enthusiastic adopters of the new technology have tended to be attracted by the tools, like TalentSee, which enable recruiters to do more than just ask behavioural interview questions in an automated manner. The true ROI seems to be coming from being able to slice and dice interviews or introduce more complex assessment exercises at an earlier stage in the process. Slicing and dicing means that

35%

of our contributors now use either a Situational Judgement, or Situational Strengths Test, in the early stages of their application process.

multiple assessors can assess the aspects they are uniquely qualified to cover without having to invest time in rating a complete assessment so, for example, technical questions can be introduced and assessed by hiring managers in isolation from

the behavioural questions so that the time and cost is minimised. More complex assessments which are being introduced using video platforms include bespoke technical exercises which have historically remained the property of assessment centres due to the need for controlled conditions. Both uses are enabling organisations to filter out ill-qualified candidates before assessment centre preventing them from wasting time and money.

Also of interest is the fact that a convincing 35% of our contributors now use either a Situational Judgement, or Situational Strengths Test (SJT / SST), in the early stages of their application process. We've been extolling the virtues of these for years (high face validity, low adverse impact, better candidate experience), but their time appears now to have truly come.

In nearly every meeting we have right now, SJTs / SSTs or values sifting tools are high on the agenda and the design of these bespoke tools is currently our most popular service. With the cost typically being lower than the cost of ability tests (especially over the medium term), the predictive validity being extremely high, the positive benefit of the realistic job preview and the fact that they can be refined over time to deselect as many as 50% of applicants without adverse impact, it's no wonder that this trend is so strong.

We look forward to a time in which achievements will be looked at in contextualised rather than absolute terms.

We have already seen a shift from text based SJTs to video based SJTs and our prediction for the next year is that SJTs will become ever more immersive and slick in terms of the candidate experience.

It has been a long time since there was a significant innovation in the world of application screening but this might finally be the year in which that changes. Largely as a result of the increased adoption of SJTs which can be put right at the front of an assessment process without costs being prohibitive, application forms are finally starting to reduce in length. In addition, they are starting to become a little smarter: although currently very few organisations are doing

Future Talent Insights Report 2015

'Contextualised Screening' in a meaningful way, we predict this to be a trend of the future. We look forward to a time in which achievements will be looked at in contextualised rather than absolute terms and are having a number of fascinating conversations on this topic with clients interested in taking social mobility seriously. We are also working on the automation that will ensure that this process is as easy as it is valuable. Since this is a relatively pioneering concept that is only just starting to migrate from University admissions to Future Talent selection processes, there is little information freely available in the market. With the gulf between the probability of a disadvantaged student studying at a Russell Group university, and that of a student from a privileged background being so colossal though, this is an area worthy of very significant focus. At GradWeb though we are therefore very excited about the proposition so will be happy to talk in greater detail to anyone interested in discovering a little more.

Finally, the other buzz word that has been on people's lips for a long time but which is being raised with ever increased regularity is 'Gamification.' This is a concept that many people raise but not all truly understand. It doesn't automatically mean that the content in question needs to be turned into a technology-enabled game as many people imagine, but is really just about applying gaming principles to

increase stickability, promote sharing, enhance impact and drive greater engagement.

As we look forward to the 2015 / 16 recruitment season, we anticipate that the coming year will see us having many more conversations about how best to apply principles from both Gamification and behavioural economics to improve the impact of organisations' attraction processes as well as their development programmes.



Diversity

[Click to read](#)

So, that appears to be the state of the market. But this year more than most, we felt that it might be a nice idea to conclude this foreword with a little predictive PEST analysis.



Political

[Click to read](#)



Economic

[Click to read](#)

We really hope that you enjoy this year's report. There are many fascinating insights, some positive, some arguably less so. But one thing is for sure: **this report is truly unique, and offers the most comprehensive benchmarking data in the market**, and it is all taken from hundreds of thousands of actual candidate applications.

If you would like to find out more, or arrange for a bespoke benchmarking review of your programme, please don't hesitate to get in touch with us on **+44 (0)163 5584 130**.

Thanks!

Sophie Meaney

Strategic Development Director



Social

[Click to read](#)



Technology

[Click to read](#)

Applications to Hires

Our data clearly shows that the huge increase in application volumes has reduced to a much more manageable ratio now, with an average of just 51 applications for every hire.

Applications to Hires

We really are returning to normal. Remember the days in the early part of the financial crisis when applications for graduate schemes in the UK were hitting the headlines? Not anymore. Our data clearly shows that the huge increase in application volumes has reduced to a much more manageable ratio now, with an average of just 51 applications for every hire.

This is due to two key factors:



Graduate confidence has increased in recent times and although graduates are still sending multiple applications – as you would expect them to – the panic of 2008-11 has subsided



The effects of graduates postponing their entry to the workplace, through pursuing Masters qualifications or going travelling, have largely dissipated

One proviso is that, now that the graduate jobs market has recovered, those skills shortages that have been around for a while, such as engineering and IT, have been thrown into sharper relief. This is reflected in some of the functional application statistics – **click an icon** below to view:



HR



Sales



Supply Chain



Engineering



Finance



IT



Marketing

Top 10 Universities for...

Click a headline below:

- + Applications
- + Offers
- + Conversion Rates
- + Weighted Ranking



University Application and Hire Rates

[Click a box](#) to view the full top 30 lists

- [+ Universities by Application](#)
- [+ Universities by Offers](#)
- [+ Universities by Conversion Rate](#)
- [+ Universities by Weighted Rankings](#)



Universities by Sector

Click an icon to see the top 10 for each sector



Automotive



Banking &
Financial Services



Engineering



Fast Moving
Consumer Goods



Oil, Gas & Energy



Public Sector



Technology



Transport
& Logistics

Media Sources

Online media is the clear winner in terms of both applications generated and hires made, producing just over 39% of hires from almost 48% of applications from this sample group.

CONVERSION
RATE FOR
APPLICATIONS
MADE TO
ROLES FILLED

63:1

ONLINE APPLICATIONS

59:1

CAREERS FAIRS

35:1

CAREERS ADVICE

Media Sources



Online media is the clear winner in terms of both applications generated and hires made, producing just over **39% of hires** from almost **48% of applications** from this sample group.

At a conversion ratio of 63:1, it is not the most efficient way of sourcing hires, but as a means of getting an organisation's recruitment message out to as many job-seekers as possible, online is perfect. For the first year, **Milkround's** position as top job-site was overtaken by both **Graduate Jobs** and **Target Jobs**.

graduate-jobs.com



3.36% Hires
5.01% Applications

targetjobs.co.uk

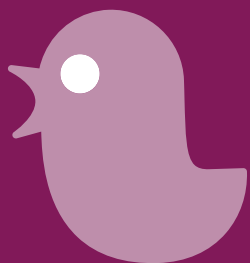


2.76% Hires
4.08% Applications

milkround.com



2.02% Hires
2.52% Applications



Social media fails to have any effect in terms of direct job applications. We are still of the view that social media has a part to play within candidate engagement, but the evidence simply isn't there for using social media as a direct attraction channel.

But don't discount the traditional route of the university **careers services**. Careers fairs themselves were not greatly successful (just 6.52% of hires at a 59:1 conversion ratio), but they have always been a bit of a lottery. **In contrast, careers advice was the most efficient source of candidates, with a conversion ratio of just 35 applications per hire.** In total, careers advice produced just 11.37% of applications, but a disproportionate 16.5% of hires – more effort perhaps than placing an online job ad, but clearly demonstrative of higher quality outputs.

The only other source to demonstrate a greater percentage of hires than applications was **reputation**, into which we include **referrals** from friends and family. As you might expect, whilst the overall application volumes weren't huge (10.77%) the hiring volumes were slightly higher at almost 12%. This emphasises the value of good PR and a good employment proposition, since these applications and hires are – effectively – free.

And still social media fails to have any effect in terms of direct job applications. We are still of

0.68%

of hires stated that social media was the source for their application.

the view that social media has a part to play within candidate **engagement**, but the evidence simply isn't there for using social media as a direct **attraction** channel. Just 0.68% of hires stated that social media was the source for their application, and this backs up previous years' data. Whilst candidates may employ social media to interact with target organisations, or simply to find out more, they are not applying via this medium. A lost opportunity? Should employers do more? We remain unconvinced – social media absolutely has a place in recruitment, but it is not a direct attraction tool in the graduate space.

Diversity

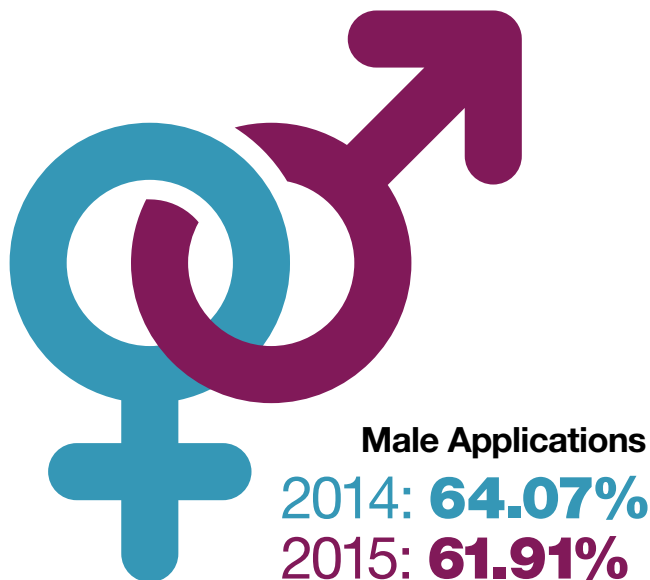


Gender

This year, possibly down to the even larger sample pool, we saw a **slight improvement in the gender balance, with male applications down from 64.07% last year to 61.91% this year.** Again, certain sectors (engineering, transport & logistics, banking etc) have a significant skew in favour of males, but this year construction shows the clearest distinction with a staggering 86.96% of applicants to this sector being male.

On the positive side, where last year only FMCG showed a bias in favour of female applications, **this year four other sectors were either at parity or better.** These were:

- FMCG
- Leisure / Hospitality
- Pharmaceutical
- Public Sector
- Retail



.....
2015 saw a slight improvement
in the gender balance
.....

This feels like progress, but the fact remains that **many sectors have a real struggle attracting women to their graduate programmes.** This is a real issue, and one that we know from our own experience of helping organisations in multiple sectors to address the gender imbalance. It may never completely go away, but we must look at careers advice (for students and their parents / influencers) as the starting point for a change in these age-old trends.



Many sectors have a real struggle attracting women to their graduate programmes.

Disability

Disabled candidates still perform strongly in assessment processes



52.1

Disabled candidates application to hire ratio

70.1

Candidates without a disability application to hire ratio

Last year, we reported a significant increase in the number of candidates applying and hired who stated that they had a disability. This year, perhaps we couldn't hope for a similar improvement, but **the good news is that the percentages have remained broadly consistent with the strong showing last year.**

Disabled candidates still perform strongly in assessment processes, with a 52:1 application to hire ratio compared with 70:1 for candidates without a disability. The fact remains, though, that this pool

does not proportionally represent the numbers of graduates who have a disability, so either they are not applying to the kind of – generally large and high profile – organisations who contribute their data to this report, or they are not stating during the application process that they have a disability.

We would like to see these figures improve, but it is a complex issue, and in fairness our experience would suggest that most employers are very keen to work on the issue and improve their offering to candidates with disabilities.



Click here
to view stats

Ethnicity

Last year, we noted some key trends, the most disappointing of which was the significant under-representation of black candidates. We have worked with our contributors this year to improve on the sample size around ethnicity, which last year represented just 22% of our data, i.e. only 22% of the total sample had ethnicity data assigned to each application record. This year, we are pleased to say that we have achieved a huge improvement, with almost **95% return of candidate ethnicity data**.

95%

We are pleased to say that we have achieved a huge improvement, with almost 95% return of candidate ethnicity data.

This means that we now have what we believe to be a set of data with true statistical significance in this area, and what it tells us is very interesting.

The most significant difference in this data is the reduced percentage of both applications and – more significantly – hires from the White – British category. This is a significant shift from last year's 60.91% of hires, and seems to show a fairer, more balanced picture. The fact remains, however, that from only 37% of applications, this hiring volume suggests that candidates who declare themselves to be White – British are at a significant advantage over all other groups.

This year, Asian candidates performed well, improving their hiring percentage from 10.4% to almost 15%. Although applications dropped from candidates declaring their origin to be White – Other, their hiring ratio improved significantly, and it is clear that white candidates, British or otherwise, do better than all other ethnic groups in terms of securing roles with these organisations.



Click here to read more and view stats

In Other News...

In addition to the data this year, we also asked our participants to complete a short survey to provide us and you with more context around the employers who contributed. More than 60 employers completed the survey, and we wanted to share with you some of the most interesting trends.

In Other News...

Application and Assessment

Some things don't change, and the vast majority of employers surveyed use both application screening (93%) and assessment centres (96.7%) as core parts of their assessment process.

On average, our employers had 4.7 stages to their assessment processes, with three having seven and one even having an eight-stage process.

Surprisingly, 30% of respondents stated that they did not use any tests in their assessment process, yet the trend amongst those who do use tests was to bring them earlier in the process and – generally – to use more of them.

Employers on average assessed 5.2 competencies during the assessment process, although one declared that they assess for 23! Since this was such an unusual number, we elected to remove this from the average.

The most commonly assessed competencies were (in order):

- Communication
- Teamwork
- Leadership
- Motivation
- Problem solving

The vast majority of employers surveyed use both application screening (93%) and assessment centres (96.7%) as core parts of their assessment process.

Cost Per Hire =
£1,752

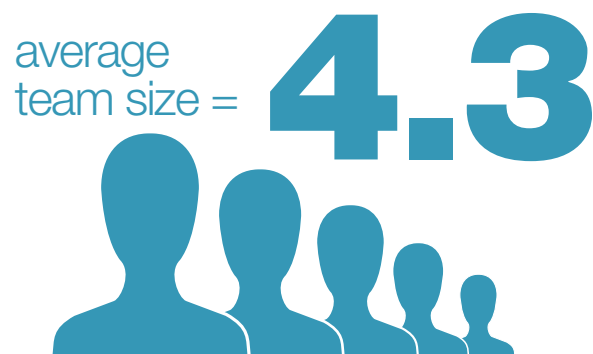
Cost Per Hire

Cost Per Hire this year was lower than last year's figure of £2,425, at just £1,752 (not including team salaries). This is illustrative of a greater volume of hiring year on year, and demonstrates the point we made in the introduction that in today's world, recruitment teams are having to deliver far more hires than budgets allow.

Team Size

More analysis would be needed to draw any real conclusions from this data, but as a first stake in the ground, we asked our participants to tell us how many people in their organisation worked full time within graduate recruitment. The numbers varied hugely, and ranged from just one to forty! We removed the two largest numbers (which were out of step with the other figures) and returned an average team size of 4.3.

Of perhaps more interest is the number of vacancies per team member. Taken across all hiring for this group, a single recruitment person is responsible for 20.26 vacancies on average. An interesting figure perhaps for all those struggling to justify additional resource to assist with the battle to find great graduates.



Intern Conversion Rates

Not every employer runs internship or industrial placement programmes, but of the c.60% of the sample pool that had data relating to Intern Conversions, i.e. how many of their under-graduates went on to join their graduate programmes, the average conversion rate was 61.1%.

This clearly demonstrates the value in these programmes. Converted interns tend to stay longer with an employer than graduates new-to-the-business, and they hit the ground running more quickly. And internships offer real brand credibility for your scheme, although naturally any intern scheme needs to be carefully designed and managed to create the best possible outputs.

A single recruitment
person is responsible for

20.26
vacancies

Converted interns tend to stay longer with an employer than graduates new-to-the-business.

Thank You

Thank you so much for your interest in this report. The GradWeb Future Talent Insights Report is a major piece of annual research that is unique in the market place. No other research provides such a powerful set of benchmarks based on real application data. It is, as you can imagine, a huge task to pull together, cleanse, standardise and analyse hundreds of thousands of lines of data, but we hope you'll agree that it is worth it. We have no issue with surveys – they are a valuable tool, and there are many good ones out there – but a survey is no substitute for real data.

We'd like to formally thank all of the organisations who have given not only their data but their time to help make this report what it is. Without their enthusiastic participation, there would be no report.

At GradWeb, we are immersed every day in this kind of data, helping our clients to understand what decisions to make so their Future Talent recruitment and development programmes are more efficient and effective. Every organisation, irrespective of

budget, team size or brand profile, has challenges, and it is safe to assume that – in a more buoyant jobs market – these challenges are only going to increase. Through an intelligent, data-driven approach, we aim to help all of our clients to adopt a continuous improvement approach that keeps them ahead of the game.

If you would like to know more about the GradWeb Future Talent Insights Report, or indeed participate with next year's report, please don't hesitate to get in touch with our Marketing Manager, Ben Hutchins, at insights@gradweb.co.uk. And if you would like to know more about how we help more than 30 employers to attract, select, hire and develop the best Future Talent (graduates, interns, apprentices and school leavers) we'd love to hear from you.

 To find out more about how to participate in the next Future Talent Report [click here](#)



Future Talent Recruitment Insights 2015



Introduction

Following on from the success of our 2014 Insights research, (which looked at the effectiveness of different assessment tools utilised in Future Talent recruitment processes) we decided to conduct further analyses using our 2015 data. This analysis has provided further evidence as to what is working well (i.e. what predicts success), what aspects of an assessment process potentially need to change in order to deliver better results, as well as some new findings when compared to the 2014 research!

As you are aware, the ultimate aim of any assessment process is to predict an individual's ability to perform successfully in the role and their future potential to progress effectively within the organisation. With a strong drive to create more cost and time efficient assessment processes it has never been more important to evaluate the efficiency and predictive power of assessment tools and stages. Moreover, in our ever increasing litigious society, it is important for employers to ensure that they have an objective and legally defensible assessment process in place to ensure fair treatment of candidates as

well as protecting against Adverse Impact or bias against minority groups. Again, this year we hope that our research will support you to achieve these aims in addition to answering the following questions for you:



**Click here to
read questions**

In an attempt to answer these questions (in an objective manner), we have analysed hundreds of thousands of candidate's data at various stages in the recruitment process (across a number of sectors and organisations). Our data pool has nearly doubled from 2014. This report outlines our findings and presents some recommendations which you may wish to consider when implementing your assessment processes in the future. We hope that our research is interesting and supports you in the longer term to achieve your goals. If you would like to contribute to our ongoing research or if you would like some assessment or development support, please contact Ben Hutchins at GradWeb (insights@gradweb.co.uk).

Jill Summers

Head of Assessment &
Development, GradWeb

Results of the Validation Study

The average number of assessment stages for a graduate recruitment process (i.e. the number of different tools or exercises candidates had to complete before moving on to the next stage) was 4.

Results of the Validation Study

As part of this large scale Validation Study, we wanted to investigate the following areas (creating some industry benchmarks), and also comparing our 2015 results to those from last year:






- The average number of assessment stages that employers include as part of their Future Talent process
- The average number of key Success Criteria (i.e. knowledge, skills and behaviours) assessed
- The common key Success Criteria that organisations utilise
- The types of assessment tools and exercises utilised
- The typical conversion rates at each stage of the process
- The key strengths and development areas emerging within this year's Future Talent market

The average number of assessment stages for a graduate recruitment process (i.e. the number of different tools or exercises candidates had to complete before moving on to the next stage) was 4.

This is also consistent with our 2014 findings. The most common recruitment process tended to include the following 4 stages:

1. Application Form (including competency or strengths based behavioural questions and, in some instances, technical questions).
2. Psychometric or Cognitive Ability Tests (within this there was a large variation between some organisations just using one test, whilst other organisations test for all three core cognitive abilities: verbal, numerical and logical reasoning). In some cases, organisations may also use a specific technical test. Personality testing within Future Talent recruitment also appears for 2015 to be more common and is being utilised to assess cultural fit for the organisation and the role.
3. Telephone Interview or Video Assessment. (Video Assessment appears to have featured more in 2015 than in 2014 and only looks like it is set to increase and replace Telephone Interviews)
4. Assessment Centre

Click the questions below to find out the answers:

-  What was the average number of assessment stages that employers included as part of their Future Talent process this year?
-  What was the average number of key Success Criteria (i.e. knowledge, skills and behaviours) assessed?
-  What were the common 'key Success Criteria' that organisations utilise?
-  What are the typical conversion rates at each stage of the process?
-  What are the key strengths and development areas emerging within this year's Future Talent market?

Application Stage Findings

The average number of Success Criteria that organisations are assessing at Application Form stage is 5.

Application Stage Findings

The average number of Success Criteria that organisations are assessing at Application Form stage is 5, which represents an increase on 2014's figure of 4. However, this trend is in line with the growth in the number of competencies or strengths that are being assessed in the recruitment process as a whole.

The most frequently assessed competencies at Application Form stage were:

- Degree Grade
- Motivational Fit
- Work Experience
- Communication
- Team Working
- Drive for Results

These findings are consistent with our 2014 report. However, there has also been a rise in the assessment of **Resilience** and **Innovative Thinking** in the Application Form stage of graduate assessment processes. This reflects the importance

of these areas for organisations and the fact that they are absolutely pivotal skills for Future Talent to succeed in a competitive, global commercial environment. By reflecting and assessing these Success Criteria at the earliest possible stage, organisations are eliminating candidates early on in the process who do not have these pivotal skills (and are hence improving their conversion rates and efficiency of their processes and arguably the candidate experience – since a candidate who does not have the 'right fit' skills will not waste their time going to later stages in the process only then to be rejected).

Our analysis indicates that the Application Form was a significant predictor of future success (i.e. strong performance at later stages in the assessment process). **Candidates scoring highly on the Application Form were significantly more likely to score highly on the Assessment Centre**, and subsequently be offered the job role. This indicates that Application Forms are strong and valid predictors of future success in the assessment process.

Candidates scoring highly on the Application Form were significantly more likely to score highly on the Assessment Centre, and subsequently be offered the job role.

However, as we discussed in our 2014 report, their success very much depends on the types of questions they include and the Success Criteria that they assess. Specifically we found that the following areas in an Application Form were the strongest predictors of success:

Motivational Fit

There was a significant relationship between a candidate's motivation for the job AND the organisation itself and high performance at later stages of the assessment process. Last year's findings suggested that motivation for the job was particularly important. The 2015 findings confirm this but also indicate that an assessment of why a candidate wants to join the organisation itself and the skills and capabilities they can bring are also important. As many organisations are now moving to incorporate some aspects of strengths based assessment, i.e. future focused questions aimed at understanding what a candidate enjoys doing and is passionate about (rather than just what they can do), these findings seem to be consistent.

Analytical Thinking

There was a significant relationship between scores on Analytical Thinking and future success in the assessment process. **This is a trend which is new to our 2015 study.** This has previously been an

area which has been heavily linked to success at Assessment Centre and it appears that the move towards assessing it at earlier stages in the process is a positive one.

Resilience

Resilience was a significant predictor of future success in the assessment process. This was a finding that was observed in last year's study too. We reported that there had been a rise in the number of organisations including the assessment of Resilience in their Application Forms. This appears to be a positive move by recruiting organisations, given its clear ability to predict success.

Innovation

Despite this not being a key area identified from last year's study, there has been a rise in the number of organisations including this in their Application Forms. This trend is one that has been endorsed by the results of our study showing that Innovation is a strong predictor of high performance in the assessment process. Given the increasingly competitive nature of the commercial world, this is likely to be an area which continues to rise in its significance, and the value that organisations place on it, in future years.

There was a significant relationship between scores on Motivational Fit, Analytical Thinking and Resilience at Application Form stage and further success in the assessment process.

Degree Grade

Again no significant relationship was found here between higher Degree Grade and high performance at Assessment Centre. Therefore, it could be argued that Degree Grade should not be sifted against at Application Stage because it does not accurately predict future success at Assessment Centre (and hence offer). This is the same as our findings from our 2014 research. This is probably due to the fact that most 'future leader' roles require candidates to demonstrate a number of behaviours in areas (such as Leadership, Influencing Skills, Commercial Acumen, Analytical Thinking and so on) and not necessarily just in academic ability.

We did find that there was a significant relationship between SJT scores and Degree Grade, with candidates with a 2:1 or above scoring higher on the SJT. This indicates that there may be a link with candidates' judgement and their ability to make the right decisions. This relationship is certainly worthy of further investigation.

Work Experience

Interestingly, contrary to last year's finding, Work Experience was not found to be a valid predictor of high scores in the assessment process. Many Application Forms currently include questions

Again no significant relationship was found between higher degree grade and high performance at Assessment Centre.

around a candidate's Work Experience and their learnings from this. Perhaps given that motivation questions now often include an assessment of how candidates can apply their skills and abilities to the job they are applying for, an assessment of learnings specifically from past experience may become less popular. This result may also have been caused by a move away from past-behavioural questions (i.e. tell me about your experience of X – which can draw on

Work Experience) to future focused questions (i.e. You are working on a project in organisation X and you are expected to resolve X issue, what action would you take to achieve this?). When answering this type of future focused question, a candidate would draw upon a number of factors beyond previous Work Experience such as innate abilities or strengths, motivations, knowledge and so on.

Communication

Again there was a **significant relationship** between Communication Skills and high performance at later stages in the process. This is similar to last year and demonstrates that Communication Skills (as you would expect) are an important predictor of future success.

Drive to Deliver Results

Again, there was a **significant relationship** between ability to Deliver Results and high performance at later stages in the process.

Commercial Acumen

Again there was a **significant relationship** between Commercial Acumen and high performance at later stages in the assessment process.

Psychometric Test / Situational Judgement Test Findings

We found a significant relationship between high scores on SJTs and high performance in the assessment process.

Our results showed that there were significant relationships between high scores on numerical and logical reasoning tests and high performance at later stages in the assessment process. However, the same trend was not observed for verbal reasoning, which was not linked to high performance. This emphasises the point that it is imperative that when selecting Psychometric Tests that the types of tests employers are utilising are informed by Job Analysis and expert advice so that the tools being used are clearly linked to the key skills and abilities required for the job.

In terms of correlations between the different tests, we found a significant relationship between numerical reasoning and logical reasoning, indicating that candidates performing well on the numerical test were also likely to perform well on the logical reasoning test.

We also found a significant relationship between high scores on SJTs and high performance in the assessment process. **This indicates that bespoke SJTs are an effective sifting tool in their ability to differentiate between candidate performance levels at an early stage of the assessment process.** Our analysis also found that they had lower levels of Adverse Impact against Black, Asian, Minority Ethnic (BAME) candidates than traditional Cognitive Ability Tests.

Telephone / Video Interview Stage Findings

Another trend observed has been the rise in popularity of Video Interviewing, as an alternative to Telephone Interviews.

Telephone / Video Interview Stage Findings

The average number of competencies assessed at Telephone / Video Interview was 5, and this remains consistent with our 2014 findings.

The most frequently assessed Success Criteria at Telephone / Video Interview were:

- Motivational Fit
- Communicating and Influencing
- Team Work
- Drive for Results

This indicates a change from 2014 as the most frequently assessed Success Criteria at this stage included:

- Customer Focus / Relationship Management
- Analytical Thinking / Problem Solving

There was also a rise in the number of organisations now including **Planning & Organising, Resilience and Innovation in their Telephone Interviews.**

We found that the following Success Criteria assessed at Telephone / Video Interview were significant predictors of future success in the assessment process:

- Communicating and Influencing – This finding is consistent with 2014's analysis
- Drive to Deliver Results – This finding is consistent with 2014's analysis
- Motivational Fit for the role – This finding is consistent with 2014's analysis
- Planning and Organising – The reported rise in the number of organisations now including an assessment of Planning and Organising in their Telephone / Video Interviews appears to be consistent and in line with our finding that this Success Criteria is predictive of success

Overall, Telephone Interviews appear to predict success at future stages of the assessment process. However, their predictive power was not as strong as Application Forms. The types of questions and competencies measured vary quite dramatically in their ability to predict success. This was a finding which was also observed in our 2014 report.

Another trend observed has been the rise in popularity of Video Interviewing, as an alternative to Telephone Interviews. Whilst there is no evidence to suggest that Video Interviewing has a higher predictive power (at the moment this is due to the fact that it is a fairly new concept in Future Talent assessment and we don't yet have enough data to complete a comparison study between Video and Telephone Assessment), its benefits come in the speed, efficiency and convenience of the process. Tools like TalentSee allow candidates to record their Video Interviews at a time and location which is convenient to them rather than needing to be available at the set times the interviewer is available. Similarly, interviewers can review the videos at a time which is convenient to them and multiple reviewers can be involved.

Assessment Centre Stage Findings

Our results showed that Analysis Exercises were the most effective in predicting success at Assessment Centre.

Assessment Centre Stage Findings

The average number of Success Criteria measured at Assessment Centre was 7. This is a reduction on last year's figure of 8 and may suggest that organisations are doing more in-depth assessments at the initial stages in order to screen out unsuitable candidates. It appears that organisations are not measuring 'Planning and Organising' at this stage as much as they were in 2014.

The most frequently assessed criteria at Assessment Centre were:

- Motivational Fit (this is the same as our 2014 results)
- Communicating and Influencing (this is the same as our 2014 results)
- Drive to Deliver Results (this is the same as our 2014 results)
- Commercial Acumen (this is the same as our 2014 results)
- Strategic Thinking (this is the same as our 2014 results)

- Analytical Thinking (this is the same as our 2014 results)
- Team Working (this is the same as our 2014 results)
- Flexibility and / or Managing Change – this is a new trend for 2015

Our results found that the following criteria were the most predictive of success on Assessment Centre:

- Communicating and Influencing
- Innovation
- Analytical Thinking
- Resilience
- Strategic Thinking
- Managing Change

These findings are particularly interesting as the top four Success Criteria were all found to be the most predictive from the Application Forms and Telephone / Video Interview stages. This suggests that these earlier selection tools, particularly the Application Form, have a key role to play in selecting the highest performing candidates for Assessment Centre.

The average number of Success Criteria measured at Assessment Centre was

7

These findings are particularly interesting as the top four Success Criteria were all found to be the most predictive from the Application Form and Telephone / Video Interview stages.

In terms of the types of exercises used in Assessment Centres, the most frequently used tools were:

- Analysis Exercises, with either a written report or presentation component
- Group Exercises
- Interviews (either competency or strengths based)
- Role Play Exercises

These are the same types of exercises that organisations were using at Assessment Centre in 2014 (which is perhaps to be expected as most organisations do not review and change their assessment process every 12 months). Of these exercises, all four were shown to have a significant relationship with high scores on Assessment Centre. However **our results showed that Analysis Exercises were the most effective in predicting success at Assessment Centre**, such that candidates scoring highly on the Analysis Exercise were more likely to score highly on the centre overall and subsequently receive a job offer. This finding is in line with our 2014 analysis. This is probably indicative of the fact that Analysis Exercises measure many of the above Success Criteria, in particular Analytical Thinking, Strategic Thinking and Managing Change very robustly.

Strengths / future-focused questions are helping to improve the predictive powers of interviews.

Interestingly, **Interviews** were the second strongest predictor of high performance on Assessment Centre. This is particularly interesting given our 2014 finding that there was no significant relationship here. This finding may be explained by the current rise in future focused / strengths Interview questions as opposed to past-behavioural / competency type questions. If more organisations are now utilising this approach this may have led to a rise in the predictive power of Interviews.

In 2014, we reported that the most common complaint from Hiring Managers using traditional

competency based Interviews was that they felt candidates give rehearsed answers to the questions rather than providing an accurate or true reflection of their abilities. Instead we advocated the use of a future-focused approach. This approach prompts candidates to discuss what they are naturally good at and how they would utilise their strengths to achieve certain job-related outcomes. Candidates are then assessed against their ability to achieve these outcomes, their personal strengths and the match (or mismatch) between the strengths that are required in the job and their overall passion, enthusiasm and energy. Candidates are less well versed in these types of Interviews and hence they can provide a more authentic or genuine assessment of their current capabilities and future potential. And, according to our evaluations, candidates report a better experience with this approach as well.

Flexibility and / or Managing Change - this is a new trend for

2015

Group Exercises were the third strongest predictor of high performance on Assessment Centre. Whilst our research has demonstrated that Group Exercises are clearly a strong predictor of success, there is the potential for wide variability in their effectiveness, depending on how well they are designed. In our experience, assigned role Group Exercises which include some element of conflict are better predictors of performance as they introduce a stronger group dynamic and give all candidates the opportunity to contribute something meaningful to the discussion. When designing assigned role exercises it is important to weight each candidate brief equally so all candidates have an equal opportunity to perform well in the exercise.

Secondly, it is important to be aware that Group Exercises can favour more extraverted candidates who have a level of comfort with thinking on their feet and putting their points of view across. The success of candidates in a Group Exercise can also be dependent on the quality of the group that they find themselves in. In order to mitigate these risks it is important to conduct robust assessor training for any new assessors in the organisation. This is crucial to ensure that assessment is conducted objectively and supported by a robust evidence base.

Finally, **Role Play Exercises** were (similar to 2014) a marginal predictor of success. Role Play

Exercises can often have varied success in an Assessment Centre dependent on the way they are designed and the training and support made available to role players. If Role Play Exercises are designed to closely match the key criteria for the role, with a clear script for role players to follow then they can be very successful as an assessment tool. However, when role players are not clear on their role or aren't given a clear script to follow then each candidate experience can be very different, depending on the role they have been assigned. This is a clear risk to the objectivity and fairness of these exercises.

Group Exercises are clearly a strong predictor of success, especially if there are assigned roles and there is an element of conflict.

Adverse Impact

Our results showed that Adverse Impact against BAME candidates is still occurring and represents a clear challenge within assessment processes.

Adverse Impact

Our results showed that Adverse Impact or bias against Black, Asian, Minority Ethnic (BAME) candidates is still occurring and represents a clear challenge within assessment processes. We found that there was some Adverse Impact occurring from all three Psychometric Tests (verbal, numerical and logical). Not surprisingly, SJTs (given their behavioural nature and the fact that they are developed bespoke based on Job Analysis with a representative pool of employees) did not adversely impact on minority groups.

In terms of competencies, for BAME candidates the main areas of concern were: Motivational Fit, Drive for Results, Communicating & Influencing and Commercial Acumen where BAME candidates scored lower than other candidates. This finding is consistent with other research in this area and with our 2014 findings. Research into global recruitment programmes suggests that candidates perform better if they are given guidance on how to succeed at the outset of the programme i.e. that it is ok to talk positively and 'sell oneself', to talk

about achievements and talk in terms of 'what I did' rather than 'what we did'. In addition, it has also been demonstrated that for global programmes it is important to emphasise what 'Motivational Fit' actually is and why it is important in addition to academic ability.

Interestingly, our findings demonstrated that there was no Adverse Impact occurring on the Work Experience competency questions.

This is particularly significant given the rise in positive action internships aimed at BAME candidates which are being offered by organisations such as the Civil Service. Evidence suggests that these internships have had a positive impact on the number of graduate roles being offered to BAME candidates as a result. However, there is still clearly a lot of work to be done here in addressing the Adverse Impact still existing in other areas of the assessment process.

SJTs (given their behavioural nature and the fact that they are developed bespoke based on Job Analysis with representative pool of employees) did not adversely impact on minority groups.

The Impact of These Findings and Recommendations

The Impact of These Findings and Recommendations

The findings of our 2015 analysis represent some interesting results. In some respects they are consistent with our 2014 results and in other respects there are some new trends to report. Overall, our key recommendations arising from this study and our wider experience are:



Job Analysis

[Click to read](#)



Face Validity

[Click to read](#)



Situational Judgement Test

[Click to read](#)



Psychometric Tests

[Click to read](#)



Application Forms

[Click to read](#)



An assessment of a combination of these Success Criteria should maximise the potential of your Assessment Centre to select the highest calibre (best fit) candidates.

As discussed in our 2014 report **‘Day in the Life’ Assessment Centres can provide a more realistic and engaging experience for candidates** which simulates, as far as possible, a typical working day within the job role. Our experience suggests that candidate feedback arising from ‘Day in the Life’ centres is more positive than for traditional Assessment Centres and assessors feel it gives them a more accurate reflection of candidates’ abilities to perform well on key tasks related to the role.

Any end-to-end assessment solution should be based on Job Analysis findings to ensure that the Success Criteria are valid and are important for the role / programme. Any scoring guides at any stage should be objective and behaviourally anchored to minimise inconsistencies and unconscious assessor bias.

Conclusion

We hope that these findings have been informative and allow you to better answer the questions we posed at the beginning of the document. In addition, we hope that the findings help you implement robust assessment solutions in the future which will more strongly predict success for you at various stages. If you have any further questions, please contact us via Ben Hutchins on insights@gradweb.co.uk

