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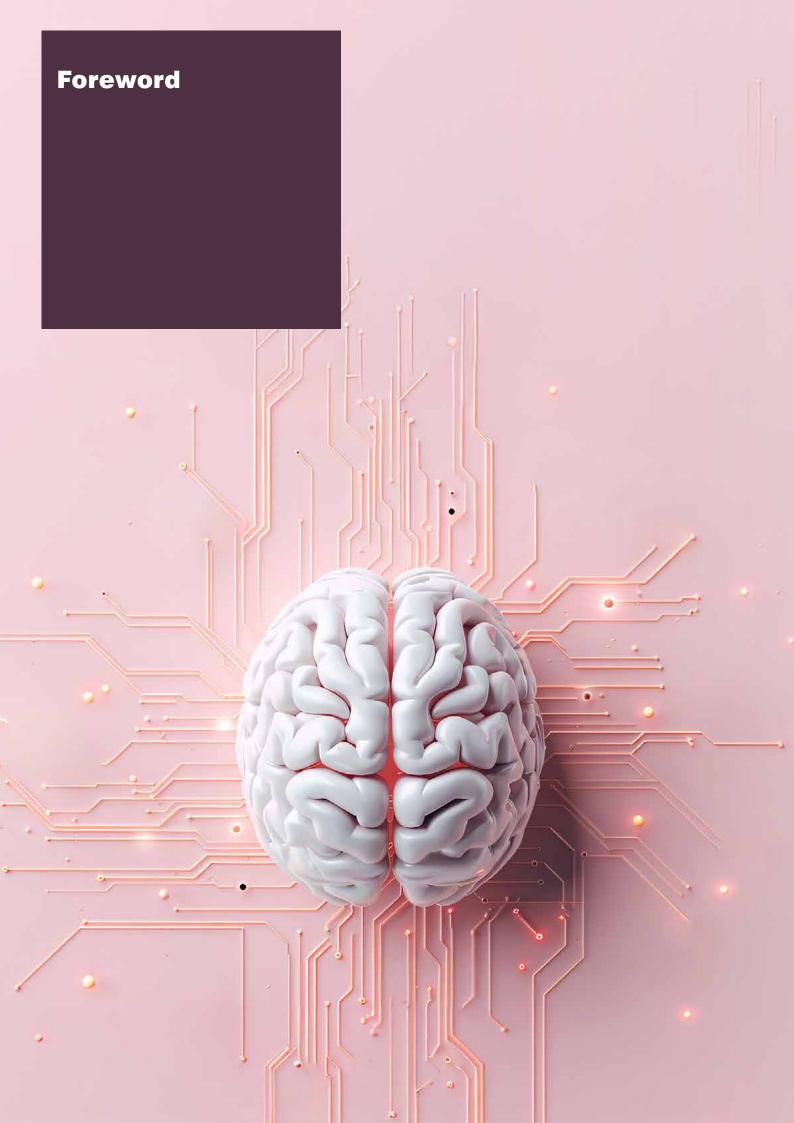
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Stephen Isherwood, Chief Executive, ISE

The student market typically mirrors the current economic landscape, and this past year is no different.

In a year when the UK economy has experienced occasional contraction and limited growth, we are pleased to see that both graduate and school/college leaver levels of recruitment have risen. But growth rates are in single digits and members report that budgets are under pressure. Teams tell us they are expected to achieve the same outputs or greater with reduced resources.

Student hiring levels come under pressure for two reasons in a tough economic climate: Growing businesses generally need more people but when growth is restricted organisations need lower numbers of new hires. When an organisation is attempting to control its cost base by reducing overall headcount, it can be difficult to simultaneously justify entry level hiring.

But here at the ISE we have always encouraged employers to look at their long-term talent requirements. And in the long-term, employers face two significant labour market challenges: declining birth rates and the increased need for highly skilled people.

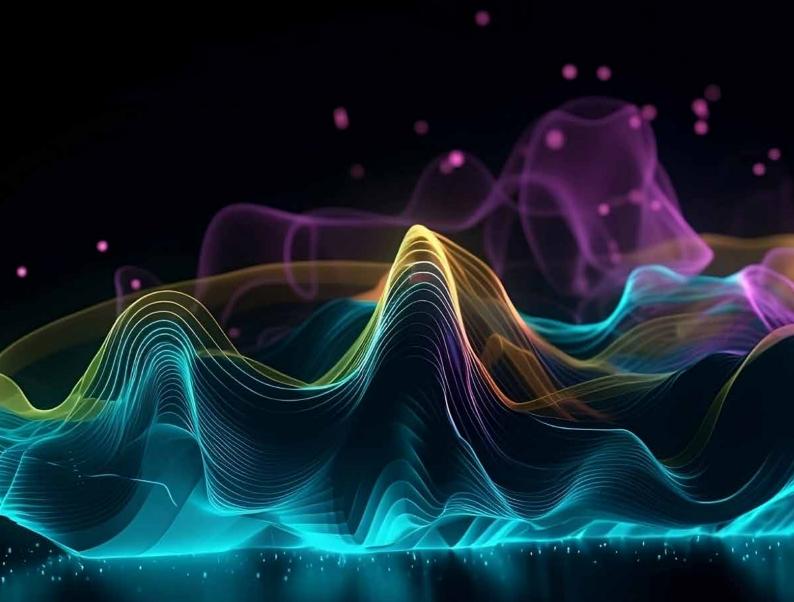
Our view is that employers are currently shielded from these two pressures because of poor economic growth. But once growth returns we expect employers to face significant shortages of available talent. The post-pandemic hiring crisis demonstrated just how quickly labour markets can tighten.

Predicting future resource needs is difficult – many employers find setting hiring targets 12 months ahead difficult enough (the typical student recruitment cycle still runs from September to September). Student development programmes run over an even longer time frame and are often two to three years long. The organisation that cuts hiring numbers this year may not see an impact until they realise they have a shortage of newly qualified people or junior managers in a few years' time.

And over the next three to four years we can expect growth rates to pick up (the OECD predict the UK economy will grow 1.2% in 2025). This is why we always recommend that budget holders and workforce planners hold their nerve when it comes to student recruitment and development. Today's hires are tomorrow's leaders.

Executive summary

This report sets out the findings of the annual ISE student recruitment survey. The survey was conducted in July 2024 and draws together the insights of 145 employers who recruited over 40,000 new student hires over the last year. The survey was diverse and covered a wide range of employers and sectors.



Strategy and resources

Whether employers recruit a few students per year or hundreds, they constantly seek to balance resources and strategic objectives. This year we saw some interesting trends particularly around how recruitment activities are being resourced.

- On average organisations spent the largest proportion of their budgets on attraction and marketing (47%), followed by selection and assessment (36%) activities. Only 9% was spent on offers and keep warm activities.
- The average (mean) cost per hire is now £4,672, increased from £4,319 last year. Meanwhile the typical (median) cost per hire is £2,158.
- On average, one member of a recruitment team is responsible for recruiting 25 (median) or 33 (mean) students. This number has increased over the last five years (from 20 (median) students in 2020) suggesting that recruitment teams are gradually being asked to deal with more hires per recruiter.
- Outsourcing has also increased, with 49% of organisations using some form of recruitment process outsourcing (RPO) organisation or similar outsourced provision to support the recruitment process this year (compared to 36% of organisations last year).

The data shows that team sizes are not increasing as application and hiring volumes increase, suggesting that recruitment teams are gradually being asked to deal with more hires.

Apprenticeships

Apprenticeship recruitment continues to grow as part of organisations' early talent strategies. Compared to last year (76%), an overwhelming majority of respondents (82%) recruited apprentices this year.

- Similar to last year, both school and college leavers and university graduates continue to be recruited onto higher level apprenticeships, potentially indicating the growing use of apprenticeships to deliver higher skilled early talent for organisations.
- A small proportion (4%) of organisations are also using apprenticeships for hiring experienced professionals.

School and college leavers

The majority of respondents (78%) are recruiting school and college leavers as a part of their early talent strategy. The typical (median) organisations received 50 applications per vacancy (42% increase compared to last year). The hiring pathway continues to grow, but growth appears to be slowing down, perhaps in line with a more general slowing in the labour market.

- Hiring in this area is mainly focused on the top skills employer members are looking for (IT, Digital and AI, Accounting, Finance and banking, and Engineering), demonstrating that school and college leavers are being invested in, to bridge skills gaps and build indemand skills within organisations.
- Almost half (42%) of employers reported that they are 'almost always' able to find the
 quality of school and college leavers that they require and a further 44% are 'often' able
 to. This level of satisfaction has been broadly stable over the last few years.

Interns and placement students

The majority of respondents (80%) reported that they recruit interns or placement students or offered work experience placements for schools or T-level providers (slightly lower than last year, 84%).

- The number of internship and placement opportunities appears to be slowing and may even begin to contract next year.
- The typical (median) organisation received 60 applications for every internship (13% increase from last year) and 55 for every placement (22% increase from last year).
- University interns and placement hiring fell by 5% from 83% last year to 78% in 2024.
- However, nearly half (49%) of organisations reported recruiting school work experience students this year, an increase from 45% last year.
- The number of organisations recruiting for T-level placements also showed a small increase from 9% last year to 11% in 2024.

Graduates

Almost all (94%) respondents reported that they recruit graduates. The typical (median) organisation received 91 applications per vacancy (26% increase on last year). The graduate recruitment market has grown by 4% in the last year and is forecast to grow next year, but only by 1% - the lowest growth forecast since

- The number of applications for graduate positions reported this year is almost the highest ever recorded by the ISE. Employers reported receiving over
 1.2 million applications last year, leading to the average number of applications per graduate vacancy rising to 140:1.
- As with school and college leavers, the highest proportions of graduate employers were in the sectors of accountancy, finance and banking, IT, Al and digital roles, and engineering.
- Similarly to last year, overall employers were content with the skills, knowledge, and behaviours of those that were able to recruit. Half of employers (50%) reported that they are 'almost always' able to find the quality of graduates that they require and a further 40% are 'often' able to.
- Changes to the visa system have created issues for the hiring of international students. Most organisations have continued to recruit international students but 30% reduced their numbers of international hires and 18% rescinded existing job offers.

Attraction and selection

The landscape of attraction and selection of early talent continues to evolve, influenced heavily by factors such as Al and changes to recruitment patterns.

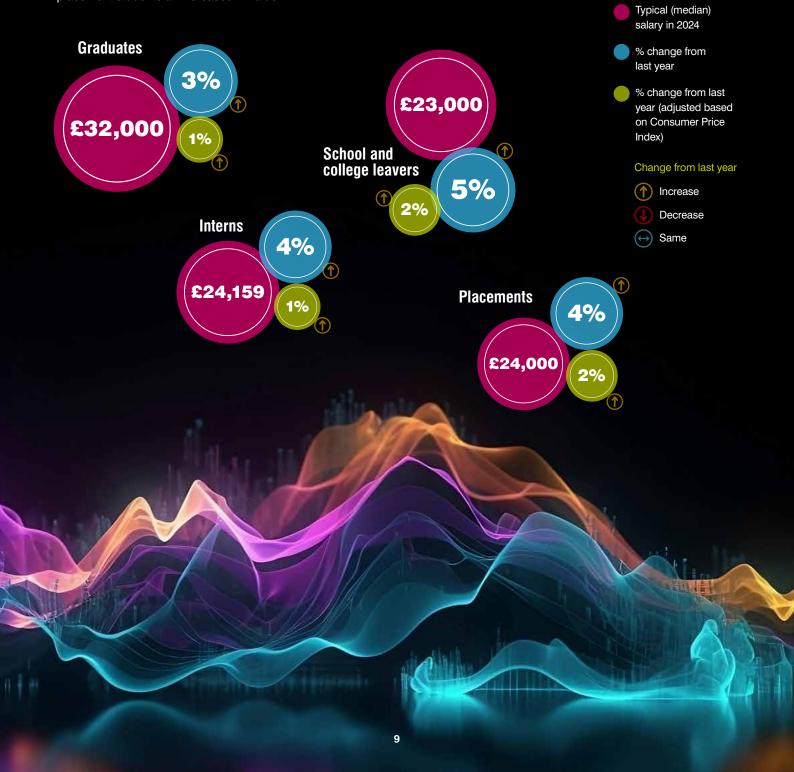
- Student recruitment now takes place throughout the year, with 40% of respondents reporting that they now take multiple intakes which has increased compared to last year (32%).
- Nearly a quarter of employers (23%) reported that generative AI was causing them to redesign their selection process.
- Almost half (43%) of employers reported they have no problem with candidates using Al at some stages of the process.
- 77% of employers set minimum requirements for hires but over time the use
 of A-level grades or the 2:1 degree as a threshold has become less popular.
 This has resulted in a substantial shift in the way that minimum requirements
 are used over the long term. We can also link lower application barriers to
 increased application and therefore rejection volumes which has implications
 for the student experience.



Hiring

Organisations' abilities to fill their vacancies improved this year, with particularly positive outcomes for school and college leaver hiring and conversions of university interns and placements to graduate positions.

- Respondents told us they filled 97% of their graduate positions, a small increase from 95% last year.
- There was a 7% rise in the success rates for hiring school and college leavers. Last year organisations reported filling 89% of their school and college leaver vacancies, compared to 96% this year.
- There was also a rise in converting former university interns and placement students to graduate
 positions. Respondents reported that they recruited 54% of former interns (compared to 46% last year)
 and 49% of former placement students (compared to 41% last year) into graduate jobs.
- Similar to last year, 84% of graduates and 90% of school leavers accepted the jobs that they were offered.
- Compared to last year, the salaries of graduates, school and college leavers and internship and placement students all increased in value.



Diversity

In recent years, there has been a growing emphasis on Equality, Diversity, and Inclusion (EDI) within recruitment practices, as organisations increasingly recognise the value of a diverse workforce.

- Many employers (47% for graduates and 40% for school and college leavers) now set themselves targets for recruitment based on EDI characteristics. The most common areas of focus are gender and ethnicity.
- Employers are often running activities designed to increase engagement from ethnic minorities (65% for graduates, 46% for school and college leavers) and women (58% and 44%). It is also common to target activities for students from lower socio-economic backgrounds (52% and 45%).
- Many employers continue to highlight a range of challenges in successfully monitoring EDI in student recruitment, including candidates' unwillingness to disclose their characteristics.

The future

Respondents were asked to look into the future and make a range of predictions about student recruitment.

- After the pandemic, there was sustained growth in student vacancies, but this has been slowing down ever since and we predict hiring will largely flatline over the coming year.
- Most (63%) of the respondents agreed that Environmental, Social and Governance (ESG) issues will be increasingly important in what and how they recruit.
- Almost half (46%) of the respondents expected that they will use Al in their recruitment process and 40% of the respondents expected most of their recruitment will be fully conducted online in the next five years.
- The highest number of employers (41%) are concerned that difficulties in the economic climate could cause them to recruit less in the coming years.





The 2024 Institute of **Student Employers** (ISE) Recruitment **Survey captures** the current state of student recruitment in the UK, revealing both progress and challenges in a rapidly changing landscape. The **ISE** represents student employers and over decades our research has demonstrated that student hires are a valuable resource for the economy.

The last year has been a yet another 'interesting' one for UK student employers. While student recruiters sought to manage a normal recruitment cycle, economics and politics in the UK have continued to be volatile.

At the start of the recruitment cycle inflation was running at 6.3% but then dropped rapidly, before starting to climb again in July 2024. This uncertainty clearly leads to challenges for setting and negotiating wages both individually and collectively.¹

In politics we have seen a General Election and a change of government, changes to visa and immigration policy and growing concerns about a higher education funding crisis.² All of these changes to the big picture have knock-on effects for student recruiters.

This year's survey suggests that the demand for early talent is slowing down and is likely to continue to plateau further next year. At present we predict stagnation rather than a decline, but this will be an issue to watch carefully over the next year.

The Digital and IT sector in particular has seen substantial hiring declines in every area this year. However, across sectors, ISE members continue to seek students to undertake digital and IT roles, demonstrating both a continued need and a skills deficit in this area.

¹ Office for National Statistics. (2024). Consumer price inflation tables. https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation

² Davies, C. (2024, 18th August). Golden age of English universities could be over, says head of watchdog. The Guardian. https://www.theguardian.com/education/article/2024/aug/18/golden-age-of-english-universities-could-be-over-says-head-of-watchdog

It is unclear what is accounting for this market slowdown, but economic uncertainty prompted by the new government and wider geopolitical issues may be playing a role along with broader issues such as technological change and the growth of Al.

Diving further into the results, there is continued evidence that employers are still thinking through their strategies in the light of the changes wreaked by the pandemic. Recruitment has increasingly stabilised around a hybrid model, but many employers are thinking about the geographical deployment of their talent on a deeper level. More employers stated that they now recruit for multiple intakes throughout the year. They are looking for more flexibility in hiring patterns.

The student recruitment market continues to draw people to London and the South East, but while the largest proportion of employers are seeking to decentralise their talent (28%), others are looking to concentrate talent around hubs (24%). These geographical issues look like they will continue to be an issue in the market for a number of years to come.

There is also ongoing evidence of technological changes in the field. Discussion about AI has reached a fever pitch in wider society, but there continues to be some uncertainty about the value of AI in student recruitment and continued speculation and experimentation about where it best enhances the recruitment process. Recent EU AI regulations regarding the use of AI in recruitment processes will also start to dictate the direction of usage for many organisations.

Alongside this, there is also a growing recognition that candidates are using AI and an increased level of comfort regarding this from employers. However, as application volumes continue to rise, organisations need to evolve their assessment approaches to meet this surge in application numbers.

Finally, it is worth noting that student employers continue to be interested in and committed to Equality, Diversity and Inclusion (EDI). However, EDI issues continue to get more complex in terms of the number of diversity strands that employers are thinking about and it can often be difficult for organisations to keep up, particularly in relation to the collection and usage of data.

About the study

ISE's recruitment survey is an annual omnibus survey of ISE members covering all aspects of student recruitment. For this year's survey, ISE is collaborating with the International Centre for Guidance Studies (iCeGS) at the University of Derby. The ISE and iCeGS reviewed and revised the survey this year and made recommendations for improvements; however, many of the questions remain stable to allow us to compare with previous years and report change over time.

The survey ran from 1 July till 26 July 2024. Based on the 174 responses received, we were able to analyse 145 usable responses covering 40,341 hires and work experience placements for schools or T-level providers.³ Figure 1.1 shows the relative size of the graduates, school and college leavers, interns, graduate placement students, T-level placements and school work experience placements covered by the survey. Figure 1.2 presents a breakdown of the 145 respondents by sector, and Figure 1.3 displays the breakdown by organisation size. The size of the organisations involved in the research reminds us that the ISE membership, who responded to this survey, mainly comprises larger organisations with limited representation from small and medium-sized enterprises (SMEs).



employers responded to the survey

³ The data were cleaned to remove responses with no usable data. Numbers were adjusted to make it possible to calculate them. E.g., for ranges the mid-point was taken and for approximate figures the nearest number was selected, so 30+ was recorded as 31. 'Other' categories were reviewed and re-coded to existing codes where possible. Figures given in currencies other than pounds sterling were converted using Google currency converter on the 29th July 2024. Where salaries were given on an hourly basis an annual figure was calculated using https://www.thesalarycalculator.co.uk/hourly.php.

Figure 1.1 Total student hires and work experience placements for schools or T-level providers in 2023/2024 (145 organisations) Graduates School work experience Internships School and college leavers Placements (Graduate) 17% **15%** Other forms of work experience T-level placements 6% 15% 42% 0% Figure 1.2 Proportion of survey responses by sector (145 respondents) Finance & Professional Services Legal Digital & IT Energy, Engineering & Industry **Built Environment** 14% Charity & Public Sector 8% 17% Retail & FMCG & Tourism Health & Pharmaceuticals 8% 14% 3%





Resourcing

Student recruitment teams can vary substantially between organisations. This year's respondents reported the average (mean) size for a student recruitment team is 9 people, but the more typical (median) size of a team is 5 people, which is similar to last year (mean: 10 people, median: 5 people).

When considering the resources required by organisations to recruit students, it is useful to examine the ratio of recruiters to hires, as the size of student recruitment teams will vary depending on the overall scale of recruitment within the organisation.

In this survey, on average, one member of a recruitment team is responsible for recruiting 25 (median) or 33 (mean) students. There appears to have been an increase in this number over the last five years (from 20 (median) students in 2020 to 25 (median) students in 2024), suggesting that recruitment teams are gradually being asked to deal with more hires, but not growing in comparative size recruiters are becoming more stretched.

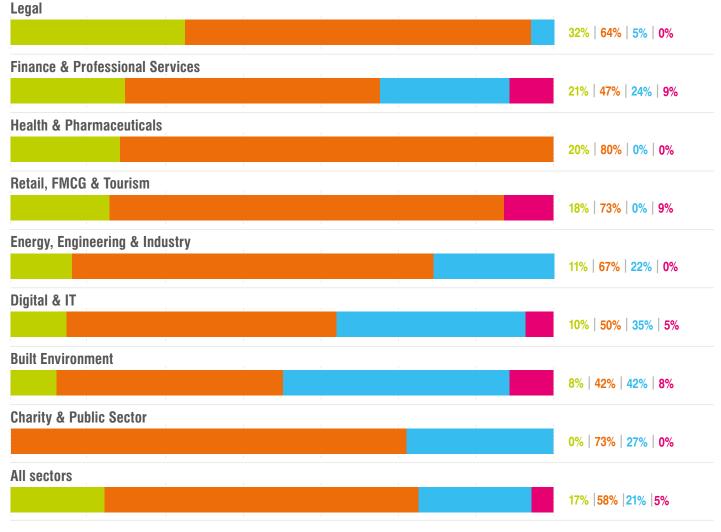
Apart from an organisation's recruitment team, it is also important that businesses allocate a budget for their recruitment activities. Annual budgets allocated for early career focused recruitment activities are between £2,000 (for organisations with small volumes of student hires) and £5,000,000. The average (mean) budget is around £590,039 while the typical (median) budget is £200,000.

Figure 2.1 shows that most respondents (58%) kept their budget roughly the same this year. However, 21% of respondents have reduced their budget. This varied across sectors: for example, 42% of respondents from the Built Environment sector reduced their budget this year, whereas 32% of respondents from Legal sector increased budgets.

Figure 2.1 **Budget changes** compared to previous year

(133 respondents)⁵

- Increased
- About the same compared with last year
- Decreased
- Don't know



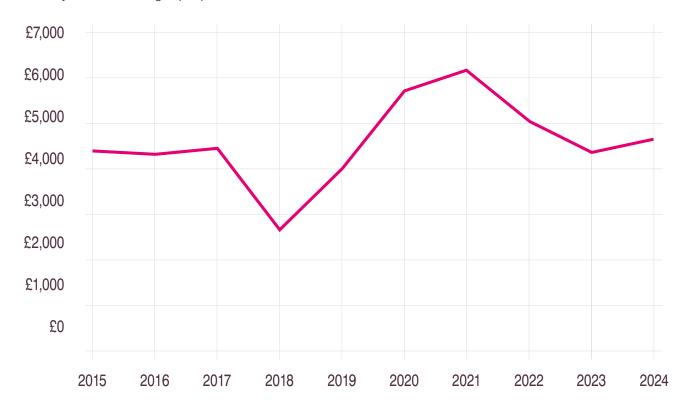
- ⁴ This includes graduate, school and college leavers, interns and placement students only.
- ⁵ There were only 5 respondents to this question from the Health and Pharmaceuticals sector. Readers should notice the limitation on interpretation for this sector given the small response rate.



The average (mean) cost per hire is £4,672, increased from £4,319 last year; meanwhile the typical (median) cost per hire is £2,158. Figure 2.2 looks at the mean cost-per-hire over the last ten years. We have adjusted the prices to 2024 levels using the Consumer Price Index to allow us to compare historic amounts with today's money when inflation is taken account.⁶ It indicates that the average cost-per-hire increased during the pandemic and may now be returning to pre-pandemic levels.

Figure 2.2

Mean cost-per-hire
2015-2024
(inflation adjusted to
2024 prices)



 $^{^{\}rm 6}~CPIH~Index.~https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l522/mm23$



Sector	Mean		Median		Sector	Mean		Median	
Built Environment					Charity & Public Sector				
Recruiter ratio	55:1	(36:1	(Recruiter ratio	32:1	1	36:1	1
Cost per hire	£757	(£454	•	Cost per hire	£2,240	(£2,444	1
Digital & IT					Energy, Engineering & Industry				
Recruiter ratio	21:1	(15:1	<u> </u>	Recruiter ratio	33:1	(23:1	(
Cost per hire	£2,830	(£1,259	•	Cost per hire	£2,425	1	£666	1
Finance and Professional Services					Health & Pharmaceuticals				
Recruiter ratio	37:1	(35:1	•	Recruiter ratio	46:1	(47:1	1
Cost per hire	£2,815	(£2,114	•	Cost per hire	£2,278	1	£2,500	1
Legal					Retail, FMCG & Tourism				
Recruiter ratio	13:1	(12:1	0	Recruiter ratio	41:1	(31:1	1
Cost per hire	£12,455	0	£6,446	0	Cost per hire	£4,189	(£2,128	1
All sectors									
Recruiter ratio	33:1	(25:1	0					
Cost per hire	£4,672	0	£2,158	0	<u> </u>	<u>ıstitute</u>	of		

Student Employers



Organisations' recruitment budgets can be split into attraction and marketing (how they engage prospective new hires), selection and assessment (how they decide which hires to employ) and offers and 'keep warm' activities (how they ensure that hires stay engaged and take up their new roles).

Similar to last year, on average organisations spent the largest proportion of their budgets on attraction and marketing (47%) and a substantial portion on selection and assessment (36%) activities. A much smaller proportion of budget is allocated to making offers and 'keep warm' activities (9%), with an additional 8% spent on other activities (Figure 2.4).

Figure 2.4 **Recruitment budgets by activity** (113 organisations)

- Attraction and marketing 47%
- Selection and assessment 36%
- Offers and keep warm activities 9%
- Other 8%





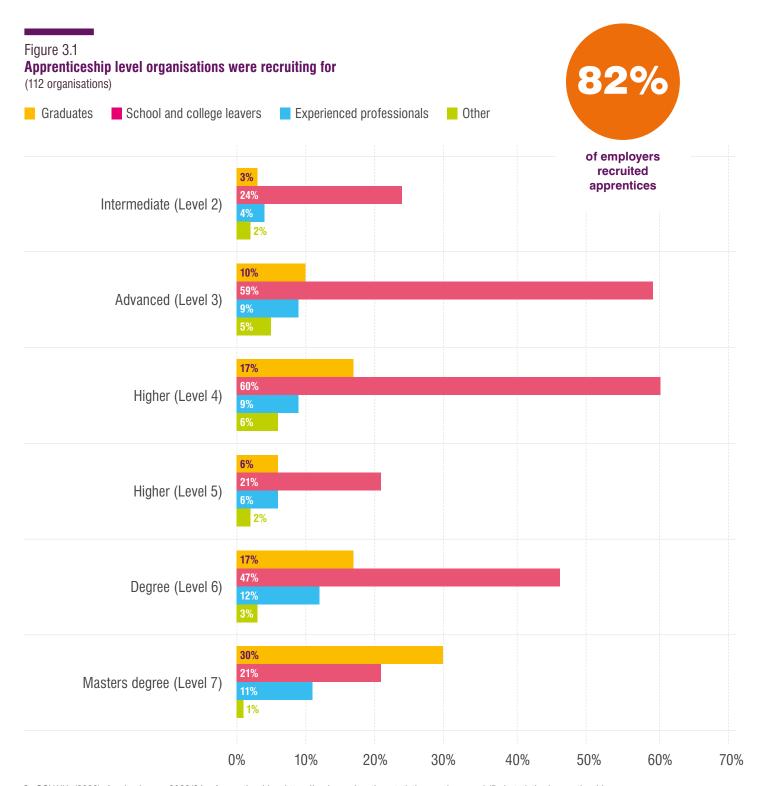
Apprenticeship levels

More organisations that recruit school and college leavers reported enrolling them in apprenticeships this year (95%) compared to last year (83%).

There was also an increase in the use of apprenticeships for graduate hires, with 37% of respondents reporting that they enrol graduates onto apprentice programmes this year, up from 34% last year.

Employers placed school and college leavers onto various levels of apprenticeships, with Levels 3 and 4 being the most predominant, whereas Level 7 was the most common for graduates. Figure 3.1 sets out the levels that employers were recruiting for, broken down by type of hire.

This contrasts with national data on apprenticeship starts where 21% of learners were on Intermediate Apprenticeships (Level 2), 43% were on Advanced Apprenticeships (Level 3) and only 35% were on Higher Apprenticeships (Level 4-7). ISE data suggests that ISE employer members are much more strongly engaged with the higher levels than the typical employer.⁷



⁷ GOV.UK. (2023). Academic year 2023/24 – Apprenticeships. https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships

School and college leavers

4

School and college leavers are an important part of the early talent landscape. Compared with last year (54%), more employers (78%) are recruiting school and college leavers and other non-graduate entry level hires. Although the overall balance of reported hires between graduates and school and college leavers has not changed much over the last five years, with graduate recruitment remaining the more dominant.

There are some important differences by sector in respondents' likelihood to be recruiting school and college leavers. For example, analysis by sector shows that 85% of employers in the Energy, Engineering & Industry sector recruited school and college leavers, compared to 55% of employers in the Charity & Public sector.



Applications and hires

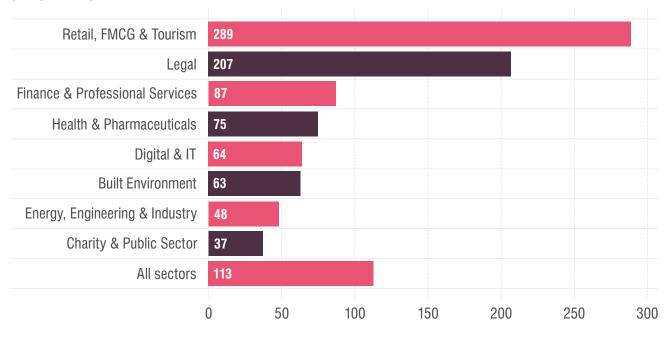
In this year's survey, we asked respondents to report the number of applications they received and the number of school and college leavers they hired both this year and last year.

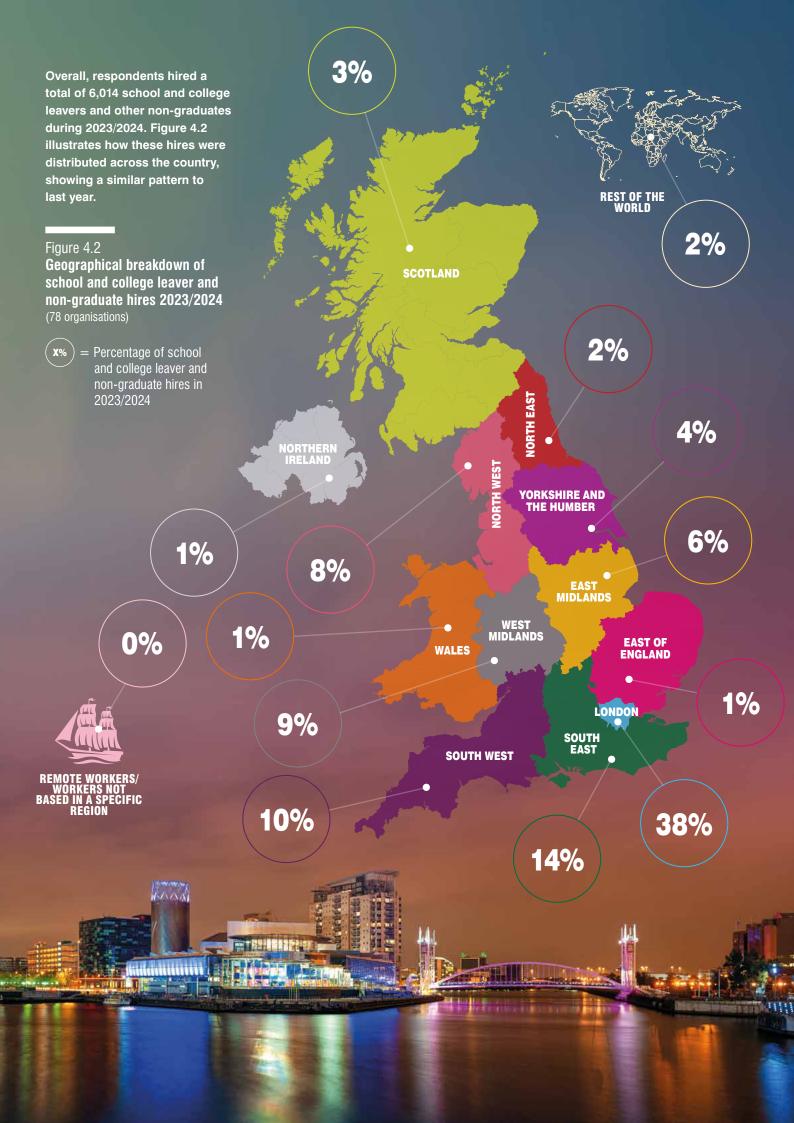
In total, respondents received 336,802 applications for non-graduate entry-level positions during 2023/2024. Among organisations that provided application numbers for both 2022/2023 and 2023/2024, this represented a considerable increase of 55% compared to the previous year.

The average (mean) organisation received 113 applications per vacancy in 2023/2024 (a 66% increase when compared to last year), while typical (median) organisations received 50 applications per vacancy (42% increase compared to last year).

The sectors which reported the highest number of applications per vacancy were Retail, FMCG & Tourism (289) and Legal (207), while the least competitive roles were in the Charity & Public sector (37).

Figure 4.1 **Average application-to-vacancy ratio across all sectors** (66 organisations)

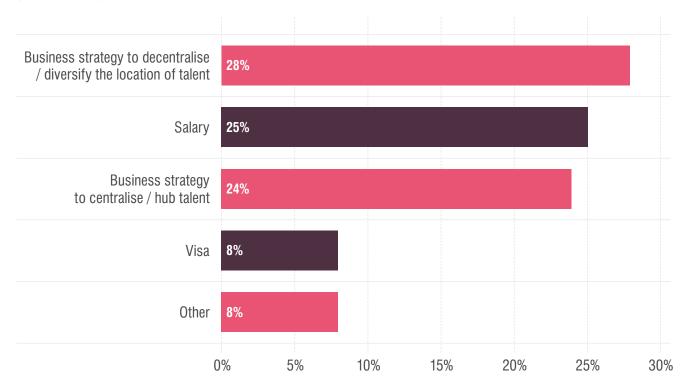




Respondents were asked for insights about their geographical strategy for school and college hiring. The highest number of employers reported that they had a strategy to decentralise and diversify the location of the talent (28%), followed by salary related reasons (25%). Although the highest proportion were attempting to decentralise, almost as many were pursuing the opposite strategy and were attempting to centralise or concentrate their school and college leaver talent (24%).

Figure 4.3
Location strategy
for school and
college leavers
(110 organisations)

However, this varied across sectors. For instance, 60% of respondents from the Built Environment sector were interested in decentralisation whereas only 17% of respondents from the Charity & Public sector identified it as the primary influence. In the Charity & Public sector, the majority of respondents (83%) reported that 'Salary' was the key factor.

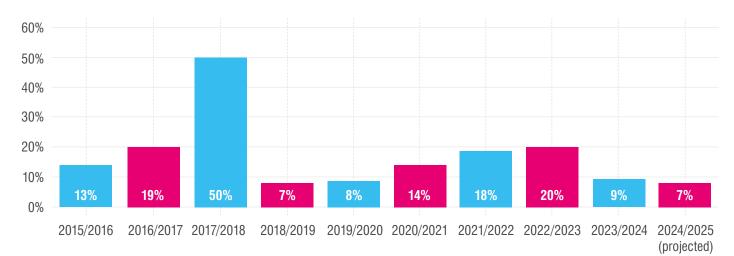


Growth in school and college leaver market

Overall, respondents hired a total of 6,014 school and college leavers during 2023/2024. Using data from organisations who could provide the number of school and college leavers that they hired in both 2022/2023 and 2023/2024 suggests that the number of school and college leavers recruited by respondents has grown by 9% in the last year and is set to grow to 7% next year (Figure 4.4). This is at the lower end of growth predictions on record and may therefore suggest something of a slowing down of the market.

Figure 4.4

Growth in the school and college leaver recruitment market





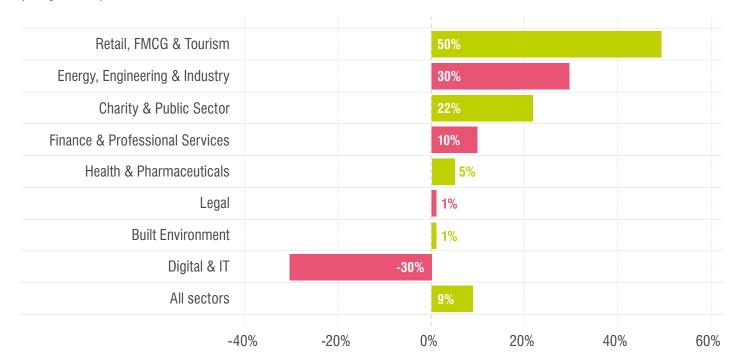
There are notable sectoral differences in hiring trends over the last two years as can be seen in Figure 4.5. Substantial growth between hiring numbers in 2022/2023 and 2023/2024 can be seen in the Retail, FMCG & Tourism (+50%), Energy, Engineering & Industry (+30%) and Charity & Public sector (+22%).

The area where there was a significant decline was in the Digital & IT sector which saw a 30% reduction in school and college leaver hiring. This aligns with broader reports of a decline in the digital sector which government statistics suggest has seen a reduction in the overall number of businesses and stagnant hiring and wages.⁸ A wider discussion of the challenges that are currently faced by the UK's digital economy is beyond the scope of this report, but it is worth noting that the new government has vowed to take action on this issue.⁹



growth in Retail FMCG & Tourism

Figure 4.5 **Average (mean) change in school and college leaver hiring numbers by sector 2022/2023 to 2023/2024** (55 organisations)



⁸ GOV.UK. (2023). Digital sector economic estimates: Business demographics, 2023 - main report. https://www.gov.uk/government/statistics/dcms-and-digital-economic-estimates-business-demographics-2023/digital-sector-economic-estimates-business-demographics-2023-main-report; GOV.UK. (2024). Economic estimates: Employment and earnings in the digital sector, January 2023 to December 2023. https://www.gov.uk/government/statistics/economic-estimates-employment-and-earnings-in-the-digital-sector-january-2023-to-december-2023

⁹ PYMNTS. (2024). Digital job growth in UK hits lowest level in decade. https://www.pymnts.com/economy/2024/report-digital-job-growth-in-uk-hits-lowest-level-in-decade/

School and college leaver roles

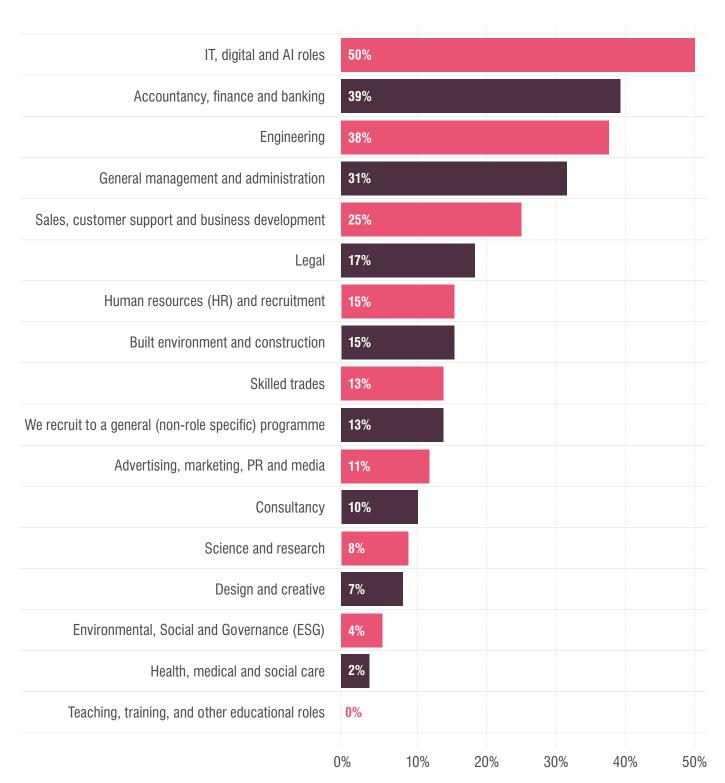
As with graduates, school and college leavers were recruited to many different types of roles. Figure 4.6 shows that IT, digital and Al roles, accountancy, finance and banking and engineering were the most common roles that employers were recruiting to, which was the same as the last year.



hiring for IT, digital

and Al roles

Figure 4.6 **Proportion of school and college leaver employers recruiting to different occupations** (101 organisations)



Some of these roles were more difficult to recruit than others. 45% of respondents that recruit school and college leavers reported that they found at least one role difficult to fill, a significant improvement on the number reported last year (61%).

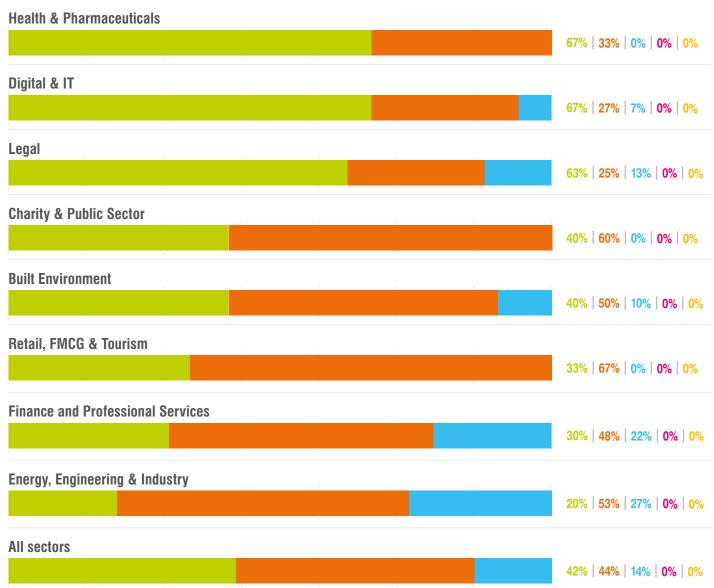
Focusing specifically on the roles that were hardest to fill, engineering emerged as the most challenging this year. The top five hardest-to-fill roles were:

Satisfaction with school and college leavers

Employers seem relatively happy with the quality of school and college leavers that they recruited (Figure 4.7). 42% of employers reported that they are 'almost always' able to find the quality of school and college leavers that they require and a further 44% are 'often' able to. This level of satisfaction has been broadly stable over the last few years.

Employers in the Health & Pharmaceuticals sector were the most positive, while those in the Energy, Engineering & Industry sector were least positive.





Interns and placement students

5





offer school work experiences

As well as graduates and school and college leavers, employers hire students onto a range of short-term programmes. We distinguish between undergraduates who are hired for a short term (less than six months and usually over the Easter or summer break), which we call interns and those that are hired for a longer period (typically six months to a year), usually in the middle of a student's undergraduate degree (sometimes called a 'sandwich year' or a 'year in industry'), which we call placement students.

In addition to this, in this chapter we also look at T-level placements (which last for approximately 45 days and are aimed at students aged 16-18 studying T-levels)¹⁰ and work experience for school students (which can be aimed at students between 11-18 and may take a variety of different forms).¹¹

The majority of respondents (80%) reported that they recruit interns or placement students or offered work experience placements for schools or T-level providers (slightly lower than last year, 84%).

When we split out the data to university interns and placements, T-level placements and school work experience, the drop is due to fewer university intern and placement opportunities (university interns and placements: 78% in 2023/2024 and 83% in 2022/2023.

Whereas we saw some growth in T-level placements (11% in 2023/2024 and 9% in 2022/2023; and school work experiences (49% in 2023/2024 and 45% in 2022/2023).

Applications and hires

increase from last year).

In this year's report, we asked respondents to report the number of applications they received and the number of interns and undergraduate placement students, T-level placement students and work experience for school students they hired for both this year and last year.

University level work experiences

In total, respondents received 234,751 applications for intern roles during 2023/2024. Using data from organisations who could provide the application number in both 2022/2023 and 2023/2024, it was a considerable increase (18%) on the previous year.

Respondents received 94,892 applications for undergraduate placement roles during 2023/2024. Again, using data from organisations who could provide the application number in both 2022/2023 and 2023/2024, it was a considerable increase (17%) on the previous year.

For internships, the average (mean) organisation received 84 applications for every hire in 2023/2024 (24% increase from last year) while the typical (median) organisation received 60 applications for every hire (13%)

While for undergraduate placements the average (mean) organisation received 87 applications for every hire in 2023/2024 (12% increase from last year) and the typical (median) organisation received 55 applications for every hire (22% increase from last year).

School and college level work experiences

Respondents received 1,098 applications for T-level placement roles and 22,874 applications for work experience for school students during 2023/2024.

Using data from organisations who could provide the application numbers for school work experiences in both 2022/2023 and 2023/2024, this was a considerable increase (43%) on the previous year.

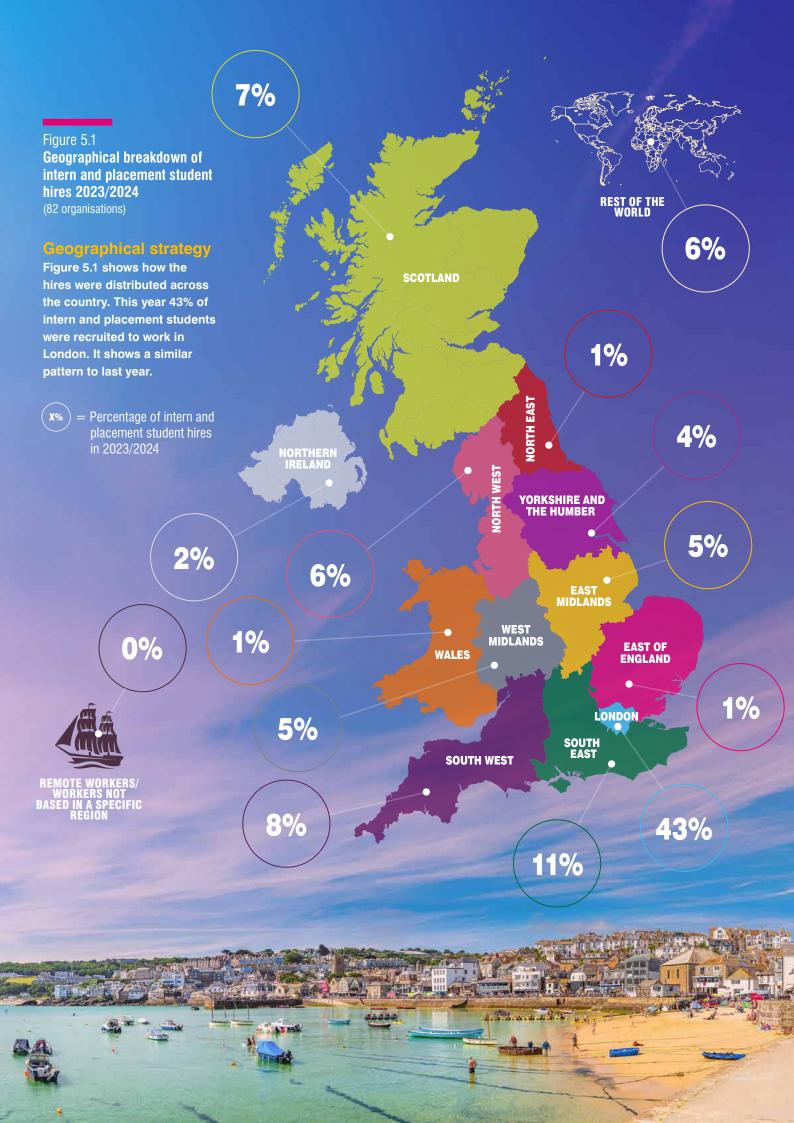
For school work experiences, the average (mean) organisation received 9 applications for every hire in 2023/2024 (50% increase from last year) while the typical (median) organisation received 9 applications for every hire (50% increase from last year). There were insufficient responses on T-levels to provide reliable averages around application numbers.



ratio of applications to every intern hire

¹⁰ GOV.UK. (2022). What are T Levels? https://employers.tlevels.gov.uk/hc/en-gb/articles/4403450115474-What-are-T-Levels-

¹¹ Department for Education. (2023). Careers guidance and access for education and training providers. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1127489/Careers_guidance_and_access_for_education_and_training_providers_.pdf (especially see pp.33-35).



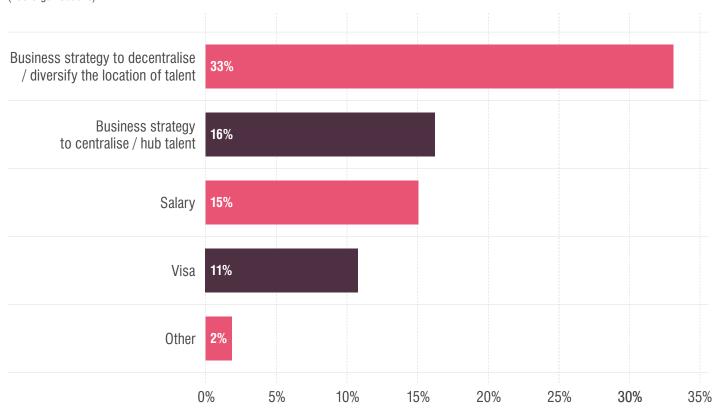


When asked about their geographical strategy, the highest number of employers reported decentralisation (33%) as the key factor which influenced their location strategy for intern and placement students this year. This is understood to refer to increased geographical diversity in where internships and placements take place. In practice this is likely to lead to more work experience opportunities outside of London.

This varied across sectors, however, with 67% respondents from the Charity & Public sector reporting decentralisation while only 6% respondents from the Legal sector reported it as the key factor for the location strategy.

of employers are looking to decentralise/diversify the location of their intern and placement students.

Figure 5.2 **Location strategy for intern and placement students** (105 organisations)



Trends in internship and placement availability

In 2023/2024, 6,034 interns and 2,324 undergraduate placement students were recruited. Among organisations that provided figures for the last two years, there was a 1% increase compared to the previous year for internships and graduate placements, but this is projected to decrease by 1% next year (Figure 5.3). This suggests that the market is slowing down.

For work experience for school students, there was a 38% increase on the previous year, but it is set to decrease 6% next year.

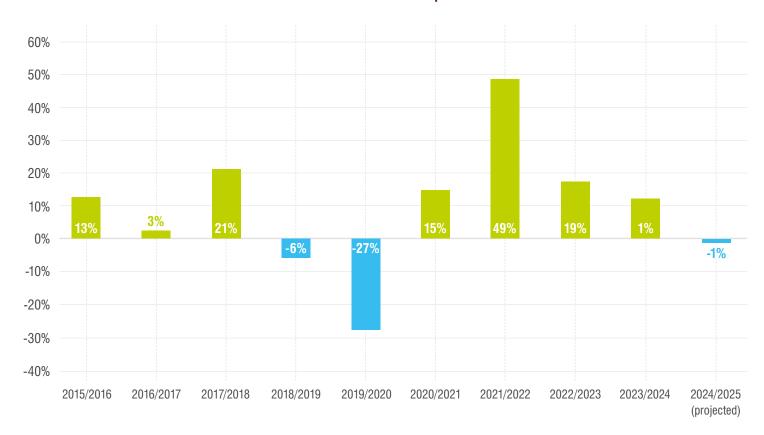
Again, we do not have sufficient data on T-levels to make an estimate based on our data, which demonstrates how limited the T-level market currently is, a fact that has received some attention in the press.¹²



increase in number of school work experiences offered this year

Figure 5.3

Growth or shrinkage in the internship and placement student recruitment market



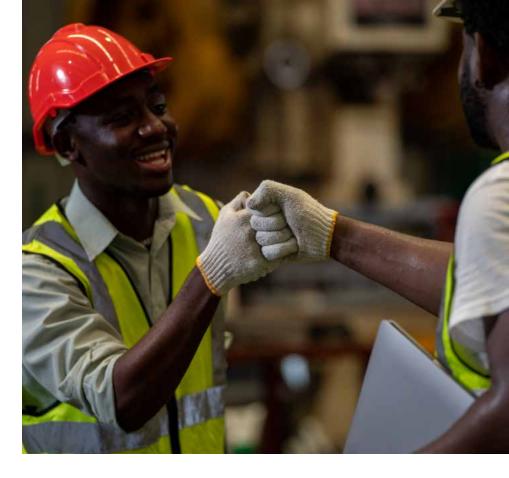


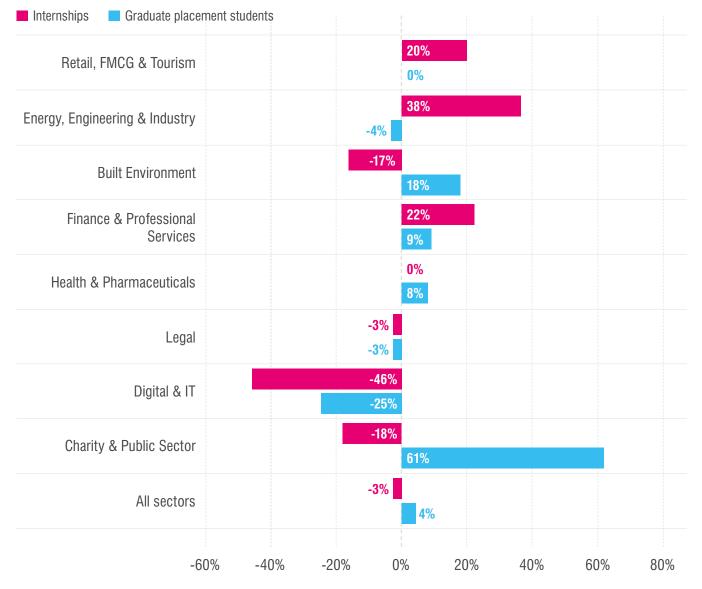
¹² Foster, P., & Borrett, A. (6th May, 2024). Low T-levels uptake in England prompts calls for urgent reform of qualification. Financial Times. https://www.ft.com/content/eb36f4ab-28ce-4083-9b1c-626b19cf3444

Some sectors saw much more dramatic changes than others. Employers in the Energy, Engineering & Industry sector (38%) recruited many more interns in 2023/2024 than 2022/2023. The largest increases in placement hiring numbers were seen in the Charity & Public sector (61%). However, employers in the Digital & IT sector recruited fewer interns (-46%) and placement students (-25%) in 2023/2024 than 2022/2023 (Figure 5.4) which aligns with the wider weaknesses in the digital sector reported in the previous sections.

Figure 5.4 **Average (mean) change in internship and graduate placement student hiring numbers by sector**

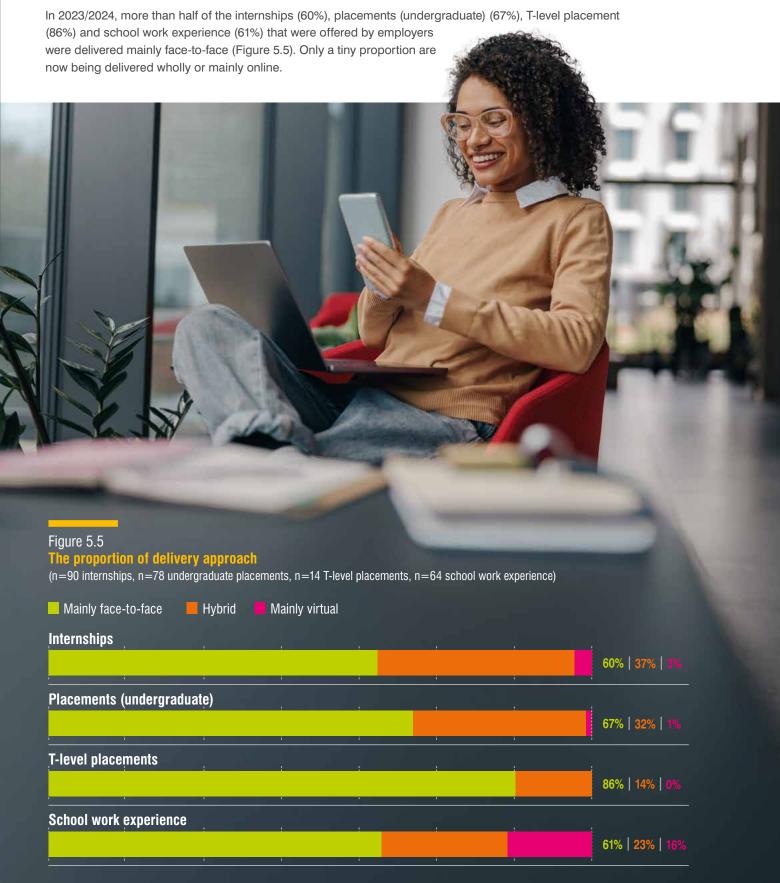
(41 organisations for internship, 32 organisations for graduate placement student)





Delivery approach

After the pandemic, as organisations adapted to a new normal, employers began shifting away from the primarily virtual delivery models that had become necessary during the lockdowns and periods of social distancing. Instead, they returned to face-to-face or hybrid approaches, reflecting a growing preference for in-person engagement where possible.





Graduate recruitment remains at the heart of most ISE members' early talent strategy. Almost all (94%) of the respondents reported that they recruit graduates.

Applications and hires

In this year's report, we asked respondents to report the number of applications they received and graduates they hired for both this year and last year.

In total, respondents received just over 1.2 million applications for graduate jobs during 2023/2024. Using data from organisations who could provide the application number of graduates in both 2022/2023 and 2023/2024, it was a 15% increase on the previous year.

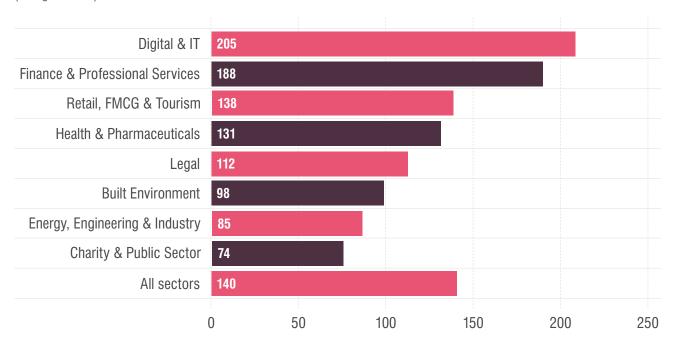


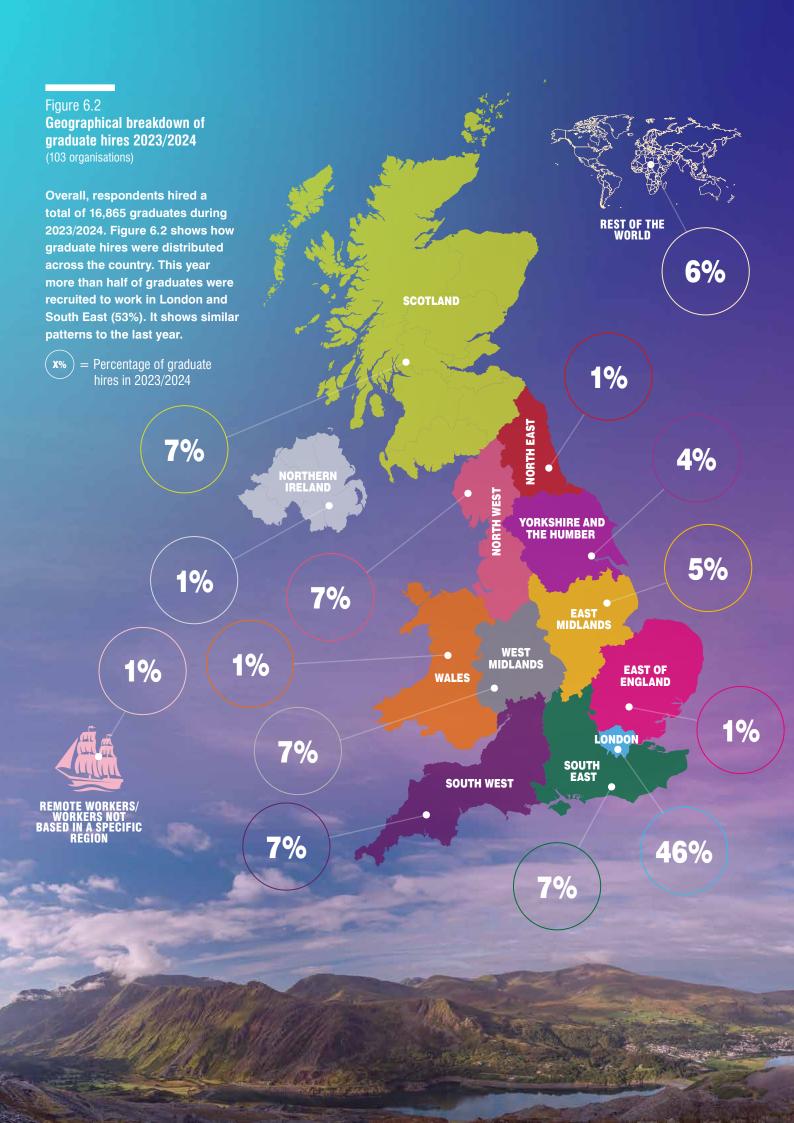
The average (mean) organisation received 140 applications per vacancy in 2023/2024 (a 59% increase compared to last year), while the typical (median) organisation received 91 applications per vacancy (26% increase on last year).

The rising cost of living and high inflation in today's economy, as well as a range of other factors including changes to the migration rules, may lead to students being anxious about finding a job and therefore applying for multiple roles, increasing the number of overall applications.

The sectors breakdown indicates that Digital & IT (205 applications per vacancy) and Financial and Professional services (188 applications per vacancy) are the most competitive sectors. On the other hand, Charity & Public sector (74 applications per vacancy) and the Built Environment (85 applications per vacancy) are the least competitive sectors.

Figure 6.1 **Average application to vacancy ratio across all sectors** (91 organisations)







When asked about their geographical strategy for hiring, the highest number of employers reported that decentralisation of the location of talent (38%) was the key factor which influenced their location strategy for graduates this year. Others reported that it was Salary related reasons (27%). And as with school and college leavers, although more employers were decentralising geographically, there was also a substantial minority who were engaged in centralisation of talent for example by bringing new hires together into hub locations (27%).

Respondents' geographical strategies for talent varied across sectors, with 58% of respondents from the Built Environment sector reporting centralisation as the key factor, with only 9% of respondents from the Retail, FMCG, and Tourism sector saying the same. Similar to the location strategy for school and college leavers, in Charity & Public sector, most respondents (80%) reported that "Salary" was the key factor for graduates.

Figure 6.3
Location strategy
for graduates
(133 organisations)

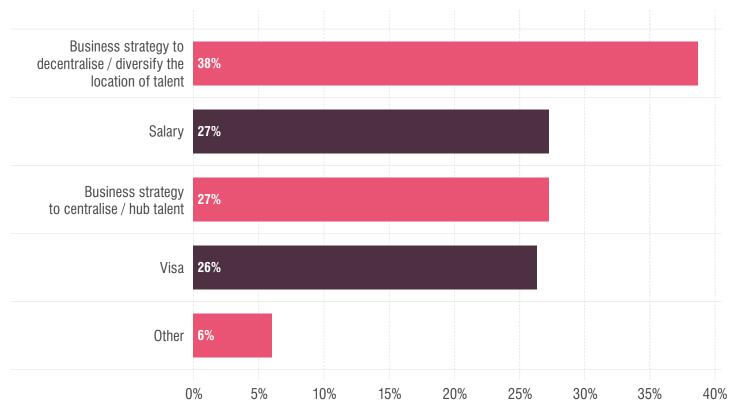


Figure 6.4

Growth in the graduate

Growth in graduate market

Overall, respondents hired a total of 16,865 graduates during 2023/2024. Analysis of graduate hiring numbers by organisations who provided figures for both 2022/2023 and 2023/2024 suggests that the graduate recruitment market has grown by 4% in the last year and is forecast to grow slowly next year (1%) (Figure 6.4). Again, echoing the general slowdown that has been reported in the previous sections.

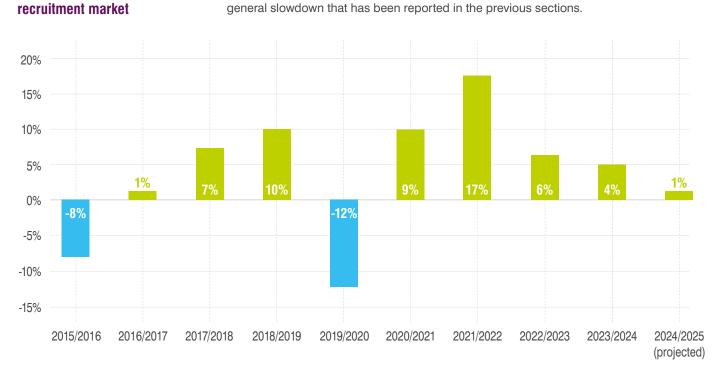
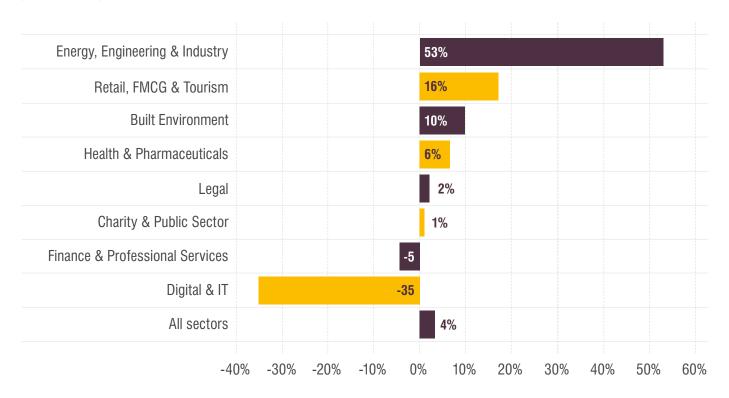


Figure 6.5

Average (mean) change in graduate hiring numbers by sector 2022/23 to 2023/24 (80 organisations)

There are notable sectoral differences in hiring trends over the last two years as can be seen in Figure 6.5. Substantial growth between hiring numbers in 2022/2023 and 2023/2024 can be seen in the Energy, Engineering & Industry sector (53%). Whereas a decline was seen in Financial and Professional services (-5%) sector and a big decline in the Digital & IT sector (-35%) again echoing the issues in this sector reported earlier.



Graduate roles

Graduates were recruited for a wide range of roles in 2023/2024. Figure 6.6 shows the most common roles that graduate employers were recruiting to.

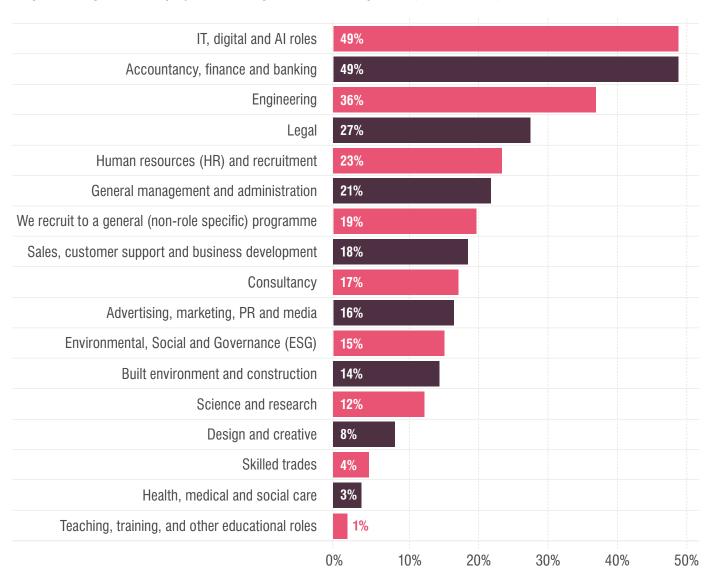
Those that were being recruited by the highest proportions of graduate employers were accountancy, finance and banking as well as IT and digital roles. In general, fewer health, medical and social care, skilled trades, and teaching, training and other educational roles were being recruited for. This pattern was mostly consistent with previous years.

The decline in hiring numbers within the Financial and Professional services and Digital & IT sectors and the simultaneous increase in the roles related to accountancy, finance, banking, IT, and digital, suggest that these roles and skillsets continue to diversify across different sectors. This trend was identified as emerging in last year's report and is reinforced by this year's data.

With the continuous wave of digital transformation, many traditional sectors are incorporating IT and digital roles. For instance, industries such as healthcare and retail might be seeking IT and digital graduates for roles related to data analytics, cloud services, e-commerce, etc. Similarly, the skills associated with accountancy and finance are not limited to the financial sector. With a growing emphasis on data-driven decision-making, analytics, and business intelligence, organisations across various sectors could be integrating finance-related roles to derive insights and ensure profitability.

Figure 6.6

Proportion of graduate employers recruiting to different occupations (121 organisations)



Some of these roles were more difficult to recruit than others. 45% of respondents that recruit graduates reported that they found at least one role difficult to fill. This is the same as for school and college leavers (45%) and an improvement on last year, which reported 54% of respondents finding at least one role difficult to fill.

Looking specifically at the role types that were hardest to fill, the top 5 hardest to fill roles were:

- 1 Engineering
- 2 Accountancy, finance and banking
- 3 IT and digital roles
- 4- Built environment and construction
- 4- Sales, customer support and business development





Satisfaction with graduates

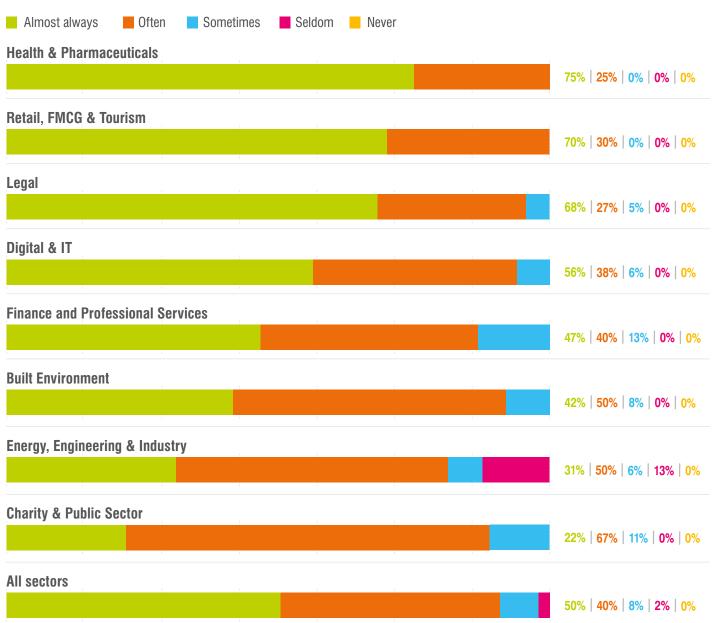
Overall employers were content with the skills, knowledge, and behaviours of those that they were able to recruit. Half of employers (50%) reported that they are 'almost always' able to find the quality of graduates that they require and a further 40% are 'often' able to. The level of satisfaction with graduates is always high and has remained fairly stable over a number of years.

Sectoral differences can be observed, as shown in Figure 6.7. 75% of employers in Health & Pharmaceuticals sector noted that they can 'almost always' find the quality of graduates they want, whereas only 22% of employers in the Charity & Public sector can 'almost always' find the quality of graduates they seek. Also, 13% of employers in Energy, Engineering & Industry sector 'seldom' find the quality of graduates they seek.



of employers
'almost always'
or 'often' able to
find the quality
of graduate they
require





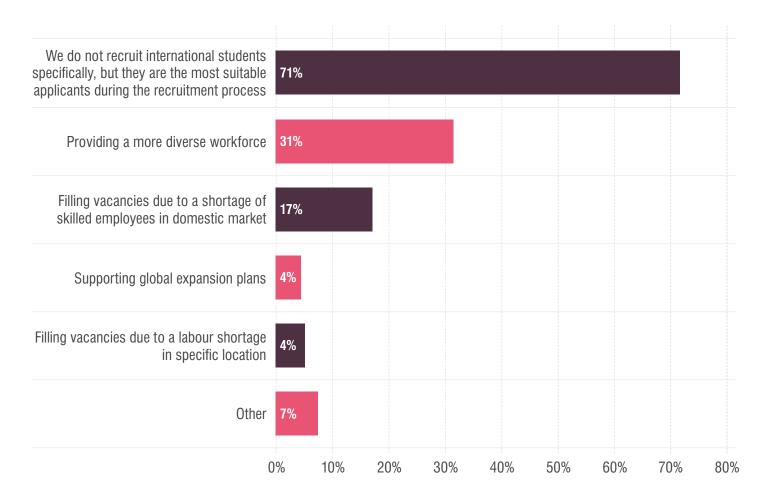
International students

In 2024, international graduates in the UK faced significant uncertainty due to proposed changes to the Graduate Route visa. The UK government commissioned a rapid review of the Graduate Route from the Migration Advisory Committee (MAC), expressing concerns that the visa might be attracting individuals more interested in post-study work opportunities than in obtaining a quality education. While the MAC found no significant evidence of abuse and recommended retaining the Graduate Route, several proposed policy changes have created a challenging environment for international graduates.¹³

The issues with the Graduate Route visa have been exacerbated by wider changes to the immigration system, including the increase in the general salary threshold for Skilled Worker visas and the related new-entrant rate. ¹⁴ The combined uncertainty of all of these migration changes has resulted in increased complexity for both candidates and employers.

This year, we asked employers about their practices regarding the hiring of international students in their organisations. None of the employers had specific hiring targets for international students. However, 61% of employers reported that they had hired international students for their programmes which is similar to last year (59%). Most employers (71%) indicated that they did not specifically aim to recruit international students, but these candidates were selected as the most suitable during the recruitment process.

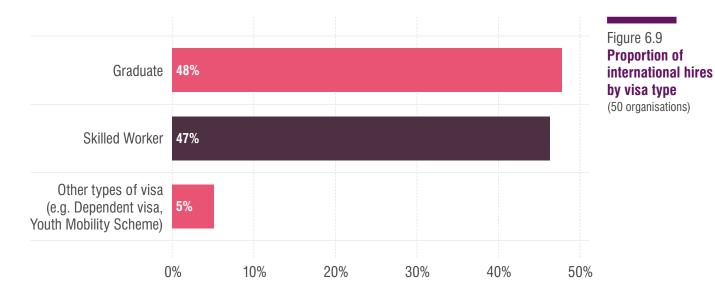
Figure 6.8
Reasons for recruiting international students
(70 organisations)



Although not all the international graduates hired studied in the UK, 89% had graduated from UK institutions.

Most of these international hires were recruited under the Graduate visa (48%) and Skilled Worker visa (47%) categories (Figure 6.9). Compared to last year (51%), the proportion of international hires recruited via the Skilled Worker visa route dropped to 47%. The influence of the new salary thresholds on the Skilled Worker visa and the relationship between this and the Graduate visa are issues that it will be important to continue to pay attention to in the future.

Migration Advisory Committee. (2024). Graduate route: rapid review. https://www.gov.uk/government/publications/graduate-route-rapid-review
 Mace, A., & Cheung, M. (2024). UK business immigration: Skilled Worker visa salary hike on 4 April 2024 – what employers need to know. https://www.employmentlawworldview.com/uk-business-immigration-skilled-worker-visa-salary-hike-on-4-april-2024-what-employers-need-to-know/



The government's decision to raise the salary threshold for Skilled Worker visas has impacted the hiring of international graduates seeking long-term employment in the UK. This change, effective from April 2024, particularly concerned those looking to remain in the UK through employer sponsorship.

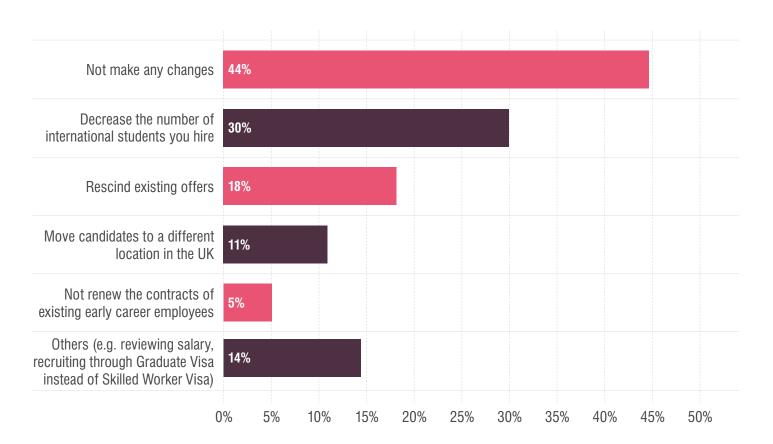
More than half (56%) of employers in our survey reported that the increased salary thresholds had impacted their recruitment of international students. 30% of employers noted a reduction in the number of international students they hired, while 18% reported rescinding existing job offers as a result of the changes.

The impact of increased salary thresholds varied by organisation size with 61% of large organisations (more than 1000 employees) being impacted, compared to 33% of small and medium organisations (1-1000 employees).

Looking at this by sector, 83% of Finance & Professional services were impacted on their recruitment of international students, whereas all employers from Health & Pharmaceuticals reported it did not make any changes for them.

Figure 6.10

Salary threshold's influence on skilled worker visa hiring (63 organisations)







At the heart of student recruitment is the need to attract students to engage with your organisation and to consider applying and working for you. Respondents revealed that they used a wide range of different approaches to attract students.

Recruitment campaigns

Compared to last year (32%), 40% of respondents stated that they now recruit for multiple intakes throughout the year.

For school/college leavers, recruitment campaigns typically align with the academic year, starting in the autumn and ending in the spring/summer. Responses suggest that campaigns for school leavers often continue to make offers right through to June, longer than for most graduate campaigns.

Given that most school and college students will typically be working to a timetable for career decision-making which is defined by UCAS and the higher education admissions process (with January serving as a final deadline for admissions, but August as a final deadline for acceptances), this decision to start early and continue throughout the year makes sense.

This year we saw a shift in when organisations closed their recruitment campaigns for graduates, with most campaigns closed between October and December (38%) (see Figure 7.1). Given the huge volume of graduate applications reported this year, the decision to close applications early may have been a response to being overwhelmed.



of employers now recruit for multiple intakes throughout the year

Figure 7.1

Recruitment Campaign

Schedules (122 organisations for graduates, 94 organisations for school leavers)

		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Graduates	Opened campaign	61%	11%	5%	22%
	Made the most offers	25%	41%	18%	15%
	Closed campaign	38%	33%	22%	7%
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
School leavers	Opened campaign	38%	42%	10%	10%
	Made the most offers	7%	29%	58%	6%
	Closed campaign	3%	39%	49%	8%

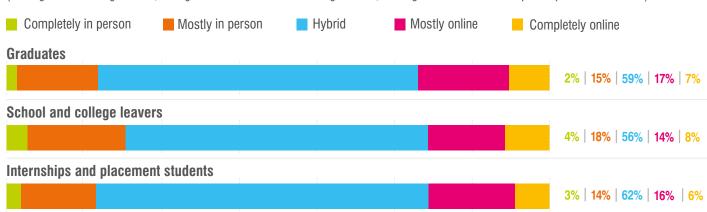
This year, we examined the modes of delivery for attraction and marketing activities. More than half (59%) of respondents reported that these activities were delivered through a hybrid approach for graduates. In the post-pandemic context, this shift towards hybrid delivery reflects the evolving preferences and operational adjustments organisations have made to accommodate both in-person and virtual engagement. Similar figures were seen for school and college leavers and internships and placement students (Figure 7.2).



of employers delivering attraction and marketing activities in a hybrid way



(124 organisations for graduates, 99 organisations for school and college leavers, 104 organisations for internships and placement students)

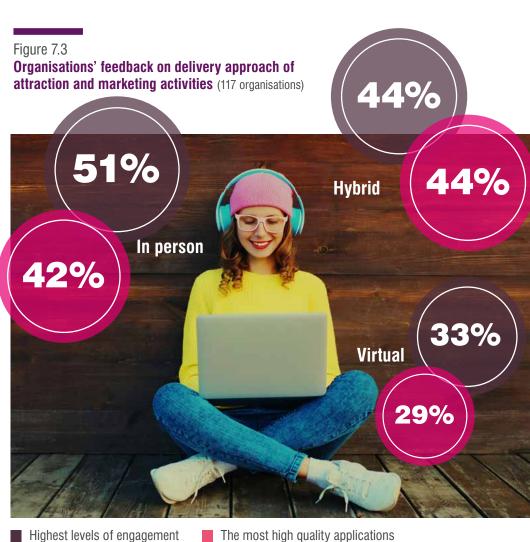


Both in-person and hybrid approaches were rated as the best way to engage students and achieve the highest quality applications compared with a virtual approach.

In person approaches to attraction and marketing were judged to be the most effective way to engage students. However, hybrid approaches narrowly beat in person approaches in terms of delivering the most high-quality applications (Figure 7.3).

This pattern is similar to last year, except the virtual approach to engage students. Compared to last year (24%), more respondents (33%) reported that a virtual approach resulted in the highest quality of engagement.

This pattern aligns with most sectors except the Health & Pharmaceuticals sector. In this sector, more respondents reported that a virtual approach resulted in the highest quality of engagement (60%) and the most high-quality applications (75%) from students.





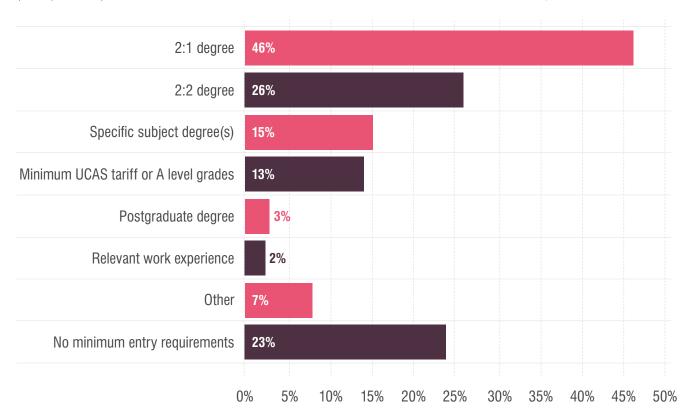
Once employers have attracted students to apply to their organisation, they need to decide which candidates to employ. Most use a wide range of different approaches to select the right candidate.

Figure 8.1

Minimum entry
requirements for graduates
(121 organisations)

Minimum requirements

Most employers (77%) set some minimum requirements that a candidate must have to be able to apply for the role. Figure 8.1 summarises the proportion of employers who require particular qualifications or experience from their graduate hires.



Having a degree was the most common requirement for graduates reported by employers (2:1 degree: 46%; 2:2 degree: 26%). A substantial 86% of employers have no intention of moving away from a degree as a fundamental criterion for such roles in the foreseeable future and having a 2:1 seems to be a consistent requirement over the past three years (reported by 46% of employers in 2024, 44% of employers in 2023, and 48% of employers in 2022).

Looking at this by sector, half (50%) of the Retail, FMCG, and Tourism sector graduate employers had no minimum academic requirements.

It is worth noting that the higher education sector typically awards in excess of 80% of students with a 2:1 or first class degree, meaning that such a minimum requirement only excludes a minority of candidates.¹⁵

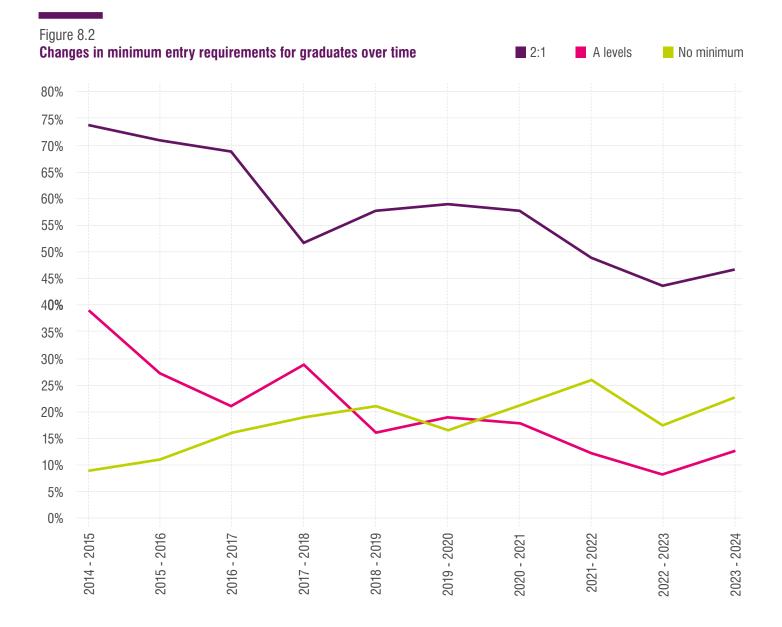
Over the past ten years, the ISE has reported a trend towards employers reducing their reliance on minimum UCAS tariff or A-level grades as an entry criterion.

This reliance has dropped from 38% in 2014/2015 to 13% in 2023/2024. Combined with the reduced emphasis on 2:1 degrees, this trend can be viewed as a positive development for social mobility. Employers are still seeking graduates but are less concerned about the grades awarded by the education system, which are strongly influenced by socio-economic background. However, we can link lower application barriers to increased application and therefore rejection volumes which has implications for the student experience.

Campaigners continue to raise concerns about the way in which geographical and social background and school type interact with success in A-levels. Given this, the decreasing focus on A-level grades means that fewer young people are being excluded from the opportunity to access good jobs based on their school performance.

¹⁵ Office for Students. (2022). Analysis of degree classifications over time. OfS. https://www.officeforstudents.org.uk/media/cd778d76-5810-488b-b1e6-6e57797fe755/ofs-202222.pdf

¹⁶ Newrick, K. (2024). Analysis of exam results for 2024. Bridge Group. https://www.thebridgegroup.org.uk/blog-posts/2024/02/09/exam-results-2024



	A levels	2:1	No minimum
2014/2015	38%	74%	8%
2015/2016	26%	71%	11%
2016/2017	21%	69%	16%
2017/2018	28%	52%	19%
2018/2019	16%	57%	22%
2019/2020	19%	58%	17%
2020/2021	17%	57%	21%
2021/2022	13%	48%	26%
2022/2023	9%	44%	18%
2023/2024	13%	46%	23%



Selection methodologies and activities

Respondents used a wide range of selection activities, but the most common were interviews (86%) and application form questions (75%). Employers commonly use application form questions (74%) in the initial application stage and psychometric/aptitude assessments (42%) in the first stage of assessments. Interviews are used in the second stage (38%) and the final stage of assessments (72%) respectively. Among the selection and assessment activities, employers believed that interviews (75%) are the most effective in assessing candidates (Figure 8.3). Compared to last year, there was a reported decrease in the use of presentation (down 22 percentage points), application form questions (down 13 percentage points) and psychometric/aptitude assessment (down 11 percentage points). Nearly four fifths of employers do not use a first interview as the stage after a CV/application form. Testing now plays a significant role in the early screening process.

Figure 8.3
Use of selection and assessment activities (141 organisations)

	Most effective	Used in 2023 / 2024	Used in the initial application stage	Used in the first stage of assessments	Used in the second stage of assessments	Used in the final stage of assessments
Interviews	75%	86%	1%	21%	38%	72%
Group tasks	31%	60%	0%	2%	13%	46%
Psychometric/aptitude assessments	21%	56%	8%	42%	9%	2%
Presentations	16%	44%	0%	1%	9%	38%
Application form questions	16%	75%	74%	4%	1%	1%
Case studies	15%	36%	1%	2%	9%	28%
Technical skill tests	10%	33%	1%	4%	8%	23%
Role play	9%	18%	0%	1%	2%	15%
CV review	8%	45%	36%	9%	3%	2%
Gamified assessments	6%	16%	4%	9%	1%	2%
Data analysis exercises	4%	26%	1%	8%	5%	17%
Email inbox exercises	2%	11%	1%	1%	3%	6%
Virtual reality	0%	0%	0%	0%	0%	0%

The use of AI in recruitment

Al is increasingly influencing the world of work, particularly in the recruitment and selection process. The integration of Al in recruitment is transforming traditional methods, offering potential efficiencies in candidate screening, reducing bias, and enhancing decision-making. However, concerns persist regarding the transparency, fairness, and ethical implications of Al-driven recruitment tools. By gathering insights from employers, we aimed to understand the extent of Al adoption, the perceived advantages, and the challenges that come with its use in hiring.

This year, we not only asked employers about their use of AI in recruitment and their perspectives on its benefits and drawbacks but also explored whether they permit candidates to use AI during the hiring process. This builds on a new bank of questions on AI in early talent hiring that we began last year.

Nearly a quarter of employers (23%) reported that generative Al was causing them to redesign their selection process. A further 45% of employers were currently investigating their selection process due to generative Al.

21% of employers use AI in the recruitment process. It will be interesting to see how this develops over the next few years, especially in light of increasing regulation of the use of AI in activities such as recruitment.

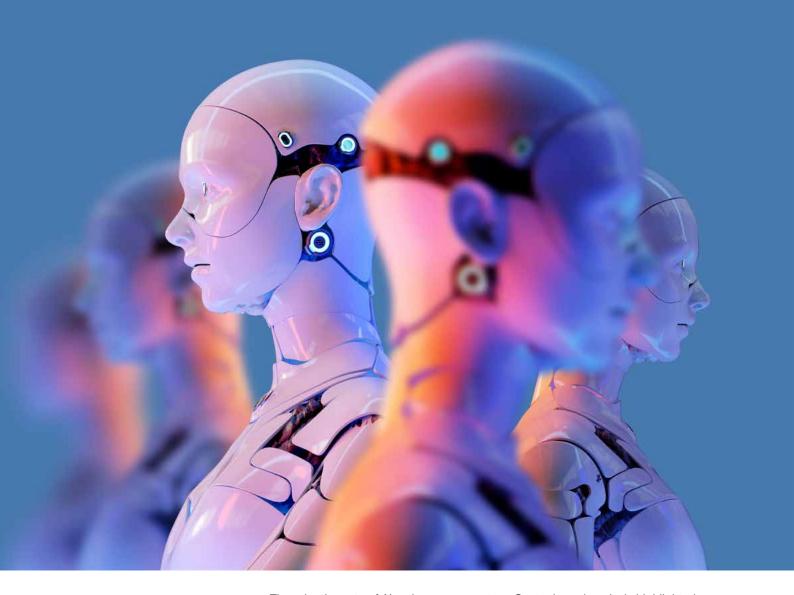


Figure 8.4 **Use of AI in recruitment process** (114 organisations)

The adoption rate of Al varies across sectors. Sector-based analysis highlighted that the Health & Pharmaceuticals sector used Al the most at 40%. This was closely followed by the Built Environment sector which reported 36% adoption.

Our findings show that organisations used AI in different stages of their recruitment process. The most frequent use of AI was in online psychometric assessments (11%).

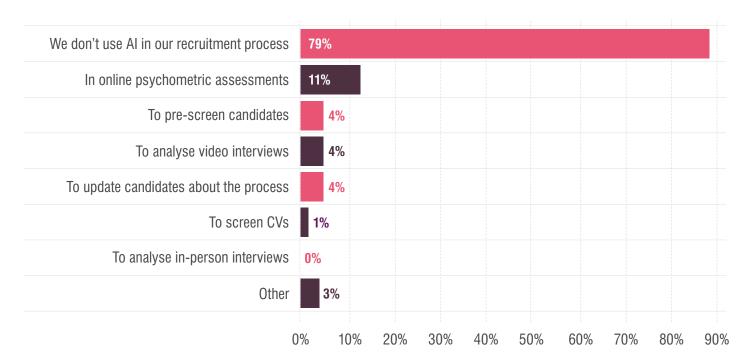




Figure 8.5 **Advantages of using Al** (97 organisations)

Employers also shared their insight about the benefits and drawbacks of using Al in their hiring process. Most (81%) employers reported that using Al increased speed and efficiency in the recruitment process and helped in automation of repetitive tasks (67%) (Figure 8.5).

For the disadvantages of using Al, 72% of employers reported that they preferred a more human-centric approach in the recruitment process and worried about the potential for bias in Al decision-making (63%) (Figure 8.6).

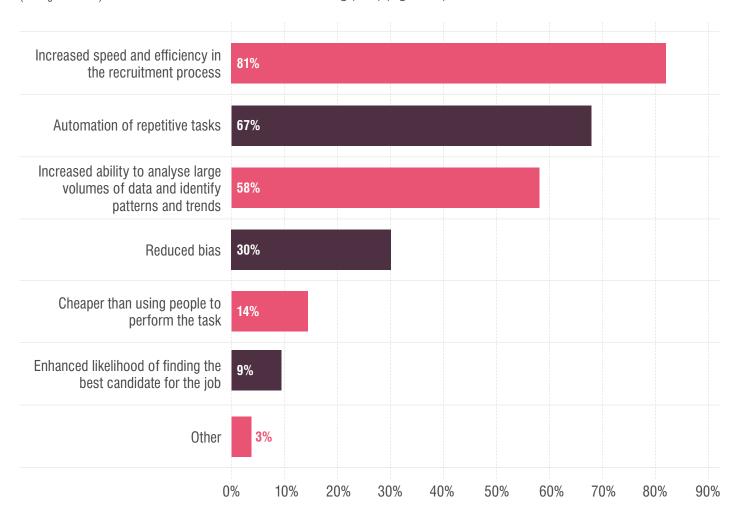
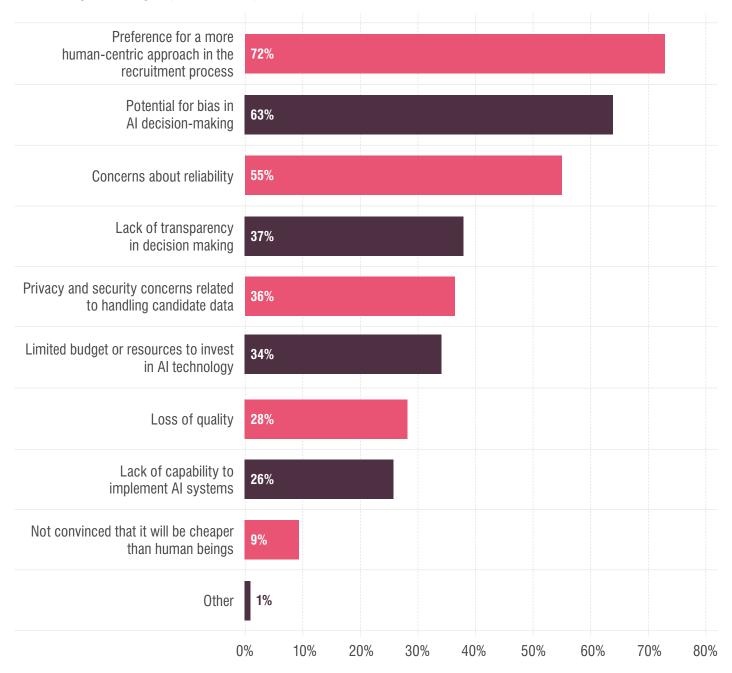


Figure 8.6 **Disadvantages of using AI** (103 organisations)





This year we also asked about the employers' view on candidates using Al in the recruitment process. Almost half (43%) of employers reported they have no problem with candidates using Al at some stages of the process. A third (32%) of employers recommended candidates not to use Al in the recruitment process but did not take any action if candidates used it.

If employers allowed candidates to use AI in the hiring process, most of them allowed candidates to use AI to write cover letters/CVs (61%), followed by to complete online application questions (33%).





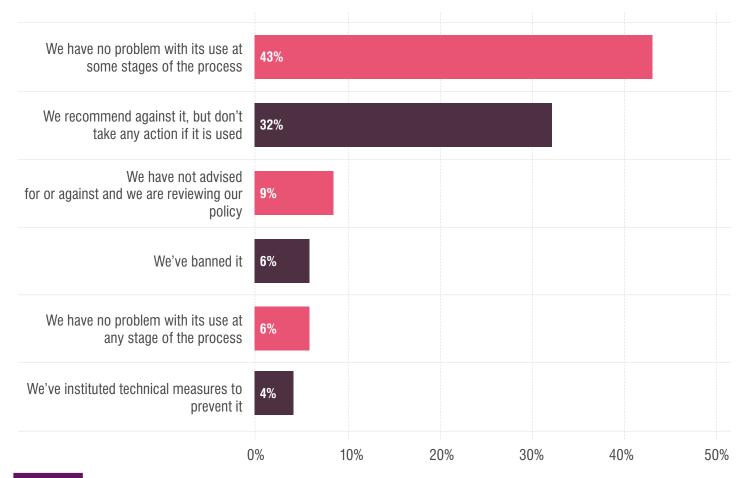
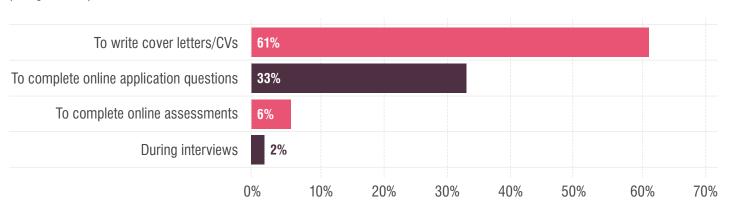


Figure 8.8

Al use allowed in selection and assessment (66 organisations)

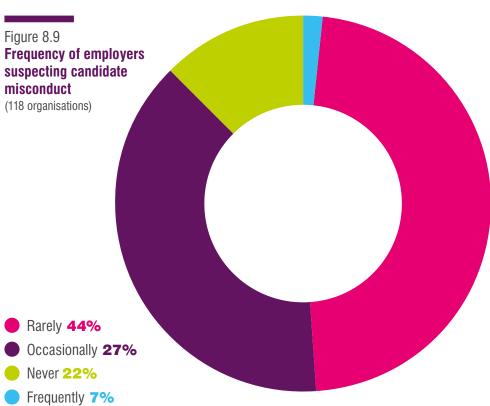




Ensuring integrity in assessments

As the recruitment landscape rapidly evolves with the integration of Al and other digital tools, employers are increasingly focused on ensuring fairness and transparency in their selection processes. The use of Al by candidates during assessments has introduced new challenges in maintaining the integrity of recruitment practices.

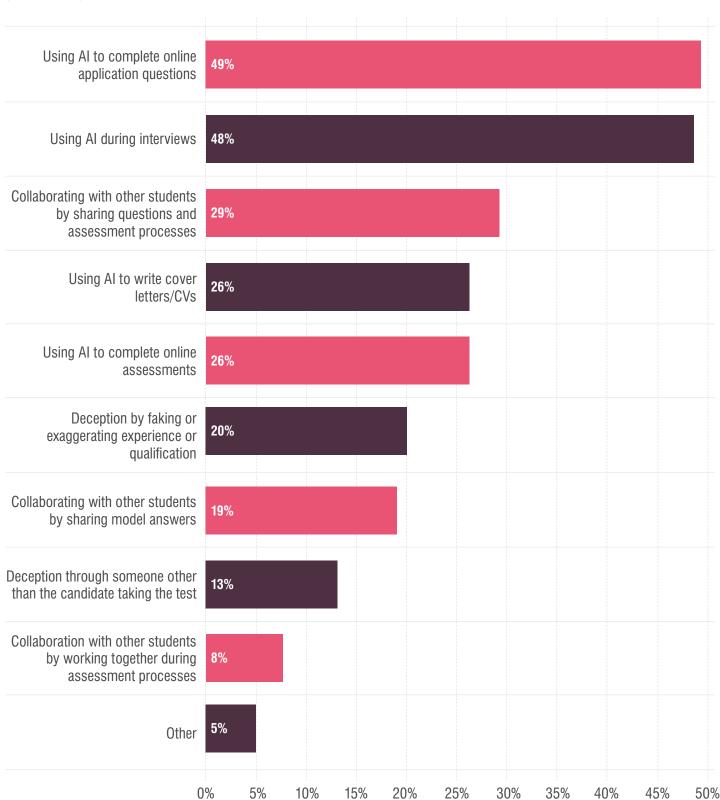
In this context, only 22% of employers reported they never encountered instances where they suspected or knew candidates have cheated in the assessments during the recruitment process. While an even smaller minority (7%) of employers reported they frequently encountered instances where they suspected or knew candidates had cheated.



The most common type of cheating identified was candidates using AI to complete online application questions which was reported by almost half (49%) of respondents, with a similar number (48%) reporting that some candidates had been using AI during interviews.

Figure 8.10

Forms of cheating employers detected during the recruitment process (80 organisation)

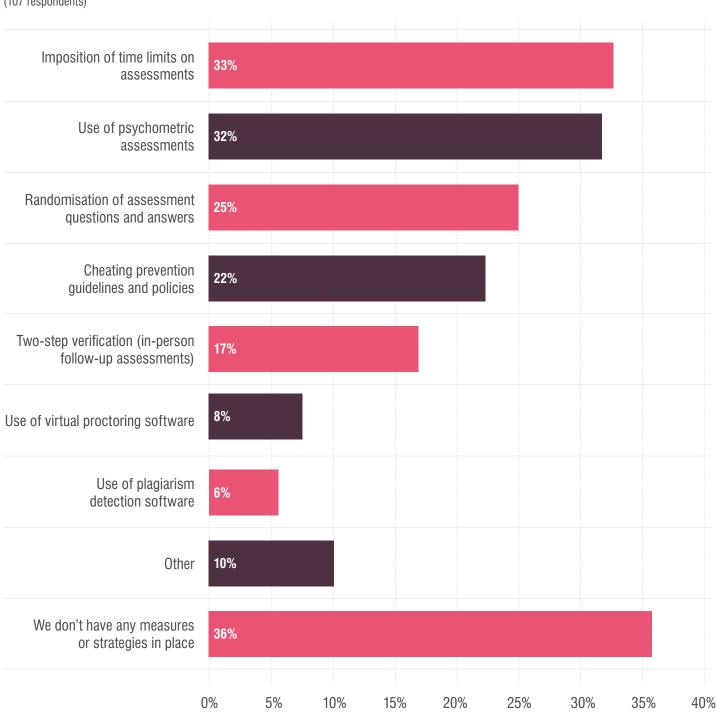


Following on from discussion in the previous section this suggests that there is considerable diversity in employers' attitudes to student use of Al. For some employers this is an inevitable and even desirable part of recruitment processes. For others it is unacceptable and deemed as cheating. It will be important to move to a greater consensus on these issues and to clearly communicate expectations to students in the future.

While most employers have a strategy to detect and address misconduct during assessments, more than a third of employers (36%) reported they did not have any approach to do this. Among those who have measures, the imposition of time limits on assessments (33%) is the most common preventative measure followed by the use of psychometric assessments (32%).

Figure 8.11

Measures to prevent or detect misconduct during assessment (107 respondents)





Applications and acceptances

ISE members reported that they filled 97% of their graduate positions and 96% of their school and college leaver positions during 2023/2024. This is better than last year when employers reported filling 95% of graduate positions and 89% of school and college leaver positions. This indicates that ISE members are continuing to offer jobs that appeal to student hires and that their recruitment processes are effective. The data may also be an indication that the labour market has become more competitive for students.

Similar to last year, employers reported that 14% of their candidates withdrew during the recruitment process and 10% of candidates disengaged from the recruitment process without providing any reason for their withdrawal or stopped engaging in communications with the organisations.

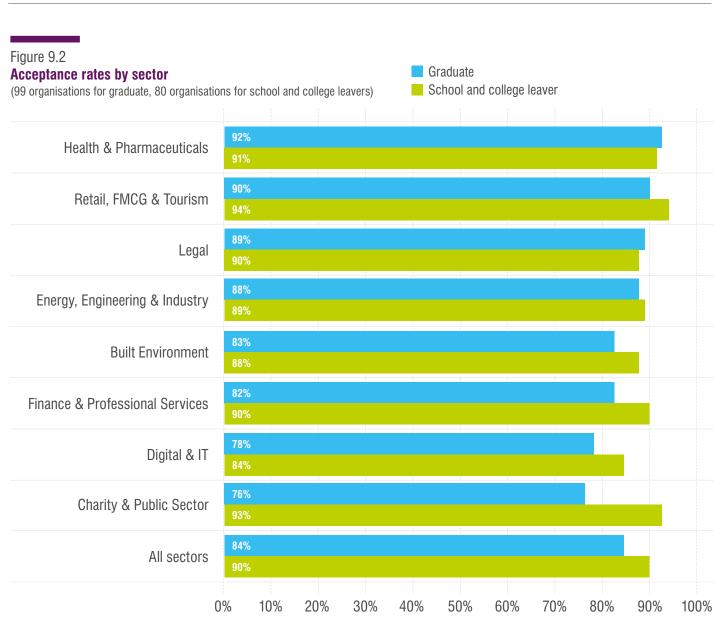
This may be due to many candidates making multiple applications and therefore considering multiple offers in parallel. For employers, this suggests the need to review and refine recruitment strategies and adapt to the changing landscape and candidate expectations, as well as potentially increasing their investment in offer and keep warm activities to engage and secure preferred candidates for the organisation.

Figure 9.1 Average responses to a job offer

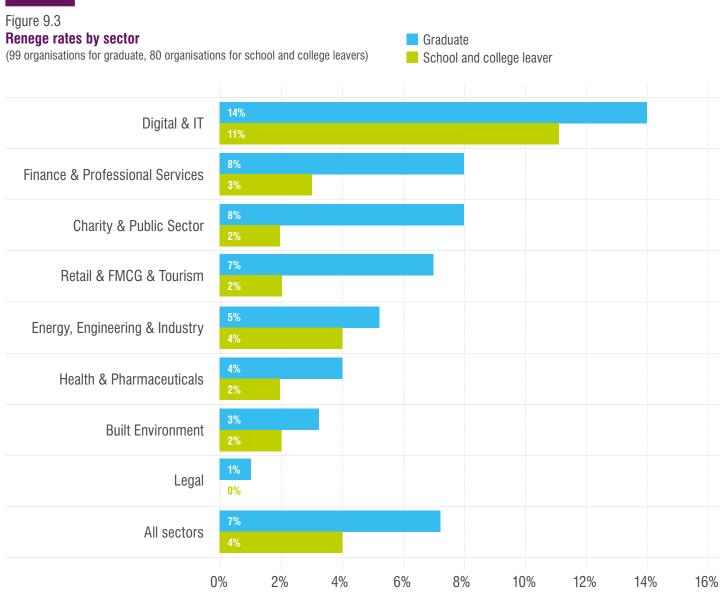
(99 organisations for graduate, 80 organisations for school and college leavers) Figure 9.1 shows the proportion of job offers that are accepted, rejected, reneged or deferred. 84% of graduates and 90% of school leavers accepted the jobs that they were offered. This is similar to last year where 84% of graduates and 89% of school and college leavers accepted jobs.

The Digital & IT sector tended to report the lowest graduate acceptance and highest renege rates for both graduates and school and college leavers (Figure 9.2 and Figure 9.3). This is in line with the challenging wider context for the digital sector discussed earlier in this report.





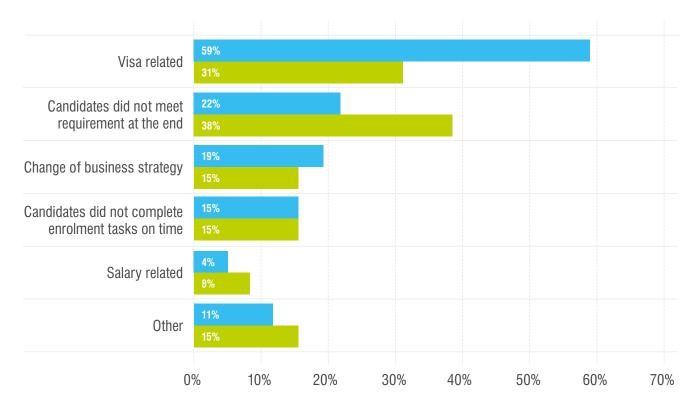




23% of employers rescinded offers for both graduates and school and college leavers during 2023/2024. Visa related reasons seem to be a common reason among the employers for the rescinding of offers especially for graduates (graduates: 59%; school and college leavers: 31%).







Employers reported that they recruited 54% of former interns and 49% of former graduate placement students into graduate jobs during the 2023/2024 season, an increase on 46% of former interns and 41% of graduate placement students in 2022/2023. This indicates that the importance of internships and placements in securing a job has increased.

Salaries

Salaries play a key role in attracting graduates and school and college leavers to jobs, and then ensuring that they accept the job offer.

The typical (median) salary reported was £32,000 for graduates (3% increase from last year), £23,000 for school and college leavers (5% increase from last year), £24,159 for interns (4% increase from last year) and £24,000 for placement students (4% increase from last year).

Figures 9.5, 9.6, 9.7 and 9.8 show the average salaries for graduates, school and college leavers, interns and placement students respectively.

Figure 9.5 **Graduate salaries** (115 organisations)

🚹 Up 🕕 Down 😝 Same

Built Environment

Minimum: £27,500

Maximum: £32,100

Mean: £29,892

Median: £30,000

Finance and **Professional Services**

Minimum: £26,000

Maximum: £48,000

Mean: £34,905

Median: £33,000

Retail, FMCG & Tourism

Minimum: £26,000

Maximum: £37,000

Mean: £30,500

Median: £31,000

Charity & Public Sector

Minimum: £22,000

Maximum: £36,000

Mean: £28,544

Median: £29,380

Health & **Pharmaceuticals**

Minimum: £31,000

Maximum: £34,400

Mean: £32,475

Median: £32,250

AII sectors

Minimum: £22,000

Maximum: £57,500

Mean: £34,796

Median: £32,000

Digital & IT

↔ Minimum: **£27,000**

Maximum: £47,350

Mean: £34,564

1 Median: £33,750

Legal

Minimum: £28,280

😝 Maximum: £57,500

Mean: £45,282

1 Median: **£48,500**

Energy, Engineering & Industry

Minimum: £23,000

Maximum: £42,108

Mean: £32,542

Median: £32,000



Figure 9.6 School and college leaver salaries (89 organisations)

Change from last year



Built Environment

Minimum: £17,194

Maximum: **£24,000**

Mean: £20,134

Median: £19,500

Finance and **Professional Services**

Minimum: £20,000

Maximum: £27,500

Mean: £23,944

Median: £24,000

Charity & Public Sector

Minimum: £19,850

Maximum: **£25,000**

Mean: £22,717

Median: £23,008

Digital & IT

Minimum: £15,700

Maximum: £38,000

Mean: £23,121

(†) Median: £23,155

Energy, Engineering & Industry

Minimum: £17,500

Maximum: £26,650

Mean: £21,151

Median: **£20,750**

Health & **Pharmaceuticals**

Minimum: £18,500

Maximum: £21,500

Mean: £20,467

Median: £21,400

Legal

Minimum: £19,840

Maximum: £28,000

Mean: £24,453

Median: £25,000

Retail, FMCG & Tourism

Minimum: £15,000

Maximum: £25,000

Mean: £21,625

Median: £22,000

AII sectors

Minimum: £15,000

Maximum: £38,000

Mean: £22,798

Median: £23,000





Change from last year





Built Environment

Minimum: £18,150

Maximum: £25,000

Mean: **£22,742**

Median: £23,650

Charity & **Public Sector**

Minimum: £19,838

Maximum: £24,018

Mean: £21,725

Median: **£21,320**

Digital & IT

Minimum: £20,000

Maximum: £36,000

Mean: £25,585

Median: £24,000

Energy, Engineering & Industry

Minimum: £21,000

Maximum: **£26,000**

Mean: £23,264

Median: £23,250

Finance and **Professional Services**

Minimum: £22,000

Maximum: £60,000

Mean: **£28,060**

Median: £25,000

Health & **Pharmaceuticals**

Minimum: £20,000

Maximum: £24,700

Mean: £22,900

Median: £24,000

Legal

(A) Minimum: £20,319

Maximum: £32,400

Mean: £25,873

Median: £26,500

Retail, FMCG & Tourism

Minimum: £21,000

Maximum: **£27,000**

Mean: £23,226

Median: £23,500

AII sectors

Minimum: £18,150

Maximum: **£60,000**

Mean: £25,539

Median: £24,159

Figure 9.8 Placement student salaries (65 organisations)

Change from last year



Built Environment

Minimum: £18,150

Maximum: £28,000

Mean: £23,528

Median: £23,800

Finance and **Professional Services**

Minimum: £22,000

Maximum: £36,500

Mean: £25,995

Median: £25,000

Retail, FMCG & Tourism

Minimum: £21,000

Maximum: £27,000

Mean: £23,022

1 Median: £22,750

Charity & Public Sector

Minimum: £23,328

Maximum: £24,018

Mean: £23,673

Median: £23,673

Health & **Pharmaceuticals**

Minimum: £23,000

Maximum: £24,500

Mean: £23,625

Median: £23,500

sectors

Minimum: £18,150

Maximum: £56,000

Mean: £24,816

(†) Median: **£24,000**

Digital & IT

Minimum: £22,000

Maximum: £27,571

Mean: £24,163

1 Median: £23,750

Energy, Engineering & Industry

Minimum: £20,495

Maximum: £25,000

Mean: £22,865

1 Median: **£23,056**

Legal

Minimum: £25,000

Maximum: £56,000

Mean: £36,000

→ Median: £27,000

Salaries also vary significantly between locations - with jobs based in London often being the highest (Figure 9.9).

Figure 9.9 Median salaries by region (87 organisations for graduates, 61 organisations for school and

college leavers)

Change from last year

REST OF THE WORLD

- ↑ Up ↓ Down ↔ Same Not applicable

London

- (1) Graduate: £34,000
- (1) School and college leaver: £24,700

- Graduate: **£30,000**
- School and college leaver: £22,250

South East

- (1) Graduate: £31,000
- School and college leaver: £22,561

(1) Graduate: £30,000

School and college

leaver: £22,150

East Midlands

West Midlands

South West

(†) Graduate: £30,000

(1) Graduate: £30,067

School and college

leaver: **£22,300**

School and college leaver: £22,300

North West

- (†) Graduate: £30,750
- School and college leaver: £22,000

North East

- Graduate: £29,645
- School and college leaver: £21,843

Wales

- Graduate: £30,050
- School and college leaver: £21,923

REMOTE WORKERS/ WORKERS NOT BASED IN A SPECIFIC REGION

- (1) Graduate: £30,100
- School and college leaver: £22,500

Scotland

- (1) Graduate: £30,302
- (1) School and college leaver: £22,000

Northern Ireland

- (1) Graduate: £29,750
- School and college leaver: £21,845

Remote workers/ Workers not based in a specific region

- (L) Graduate: £32,000
- School and college leaver: N/A

Rest of the world

- Graduate: **£35,000**
- School and college leaver: N/A

Figure 9.10

Typical starting salaries reported to ISE over time

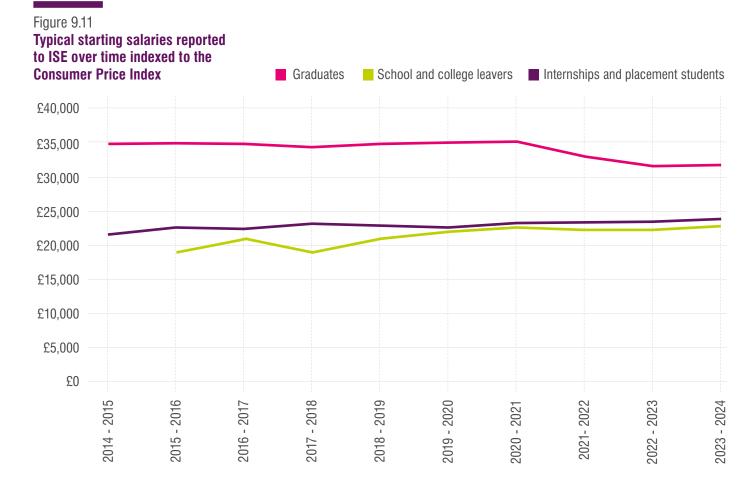


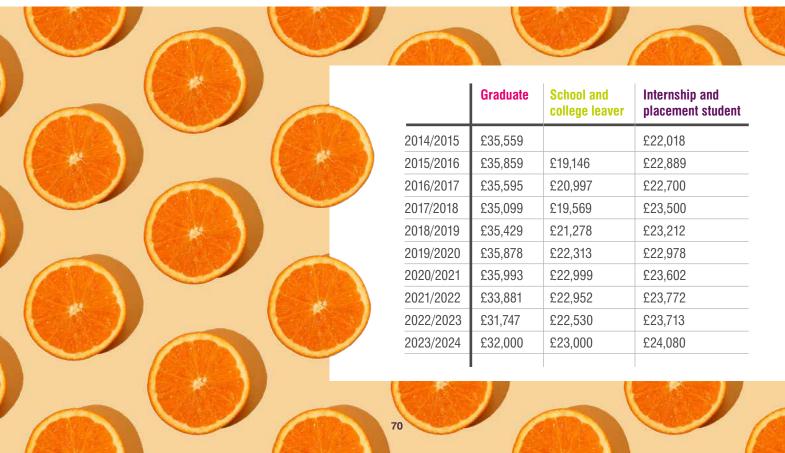
	Graduate	School and college leaver	Internship and placement student
2014/2015	£27,000		£16,718
2015/2016	£27,500	£14,683	£17,553
2016/2017	£28,000	£16,517	£17,857
2017/2018	£28,250	£15,750	£18,915
2018/2019	£29,000	£17,417	£19,000
2019/2020	£29,667	£18,450	£19,000
2020/2021	£30,500	£19,489	£20,000
2021/2022	£31,000	£21,000	£21,750
2022/2023	£31,000*	£22,000	£23,155
2023/2024	£32,000	£23,000	£24,080



^{*} The salary data shown for 2022/2023 and 2023/2024 were collected in this year's survey, then combined with the salaries reported in previous ISE recruitment survey reports from 2021/2022 and earlier. This means that we have brought together multiple ISE datasets that include a variety of different employers from the last decade to create this longitudinal analysis. This has led to the average salary from 2021/2022 to 2022/2023 appearing to show no growth. When comparing only the employers who responded for 2022 and 2023 in last year's survey, we reported a small (3%) amount of growth within that cohort of employers for that period.

Figure 9.11 shows salaries adjusted to 2024 prices using the Consumer Price Index to account for inflation. Comparing to last year, all the salaries of graduates, school and college leavers and internship and placement students increased in value, although graduate salaries continue to be worth less than they were a decade ago.







Diversity targets

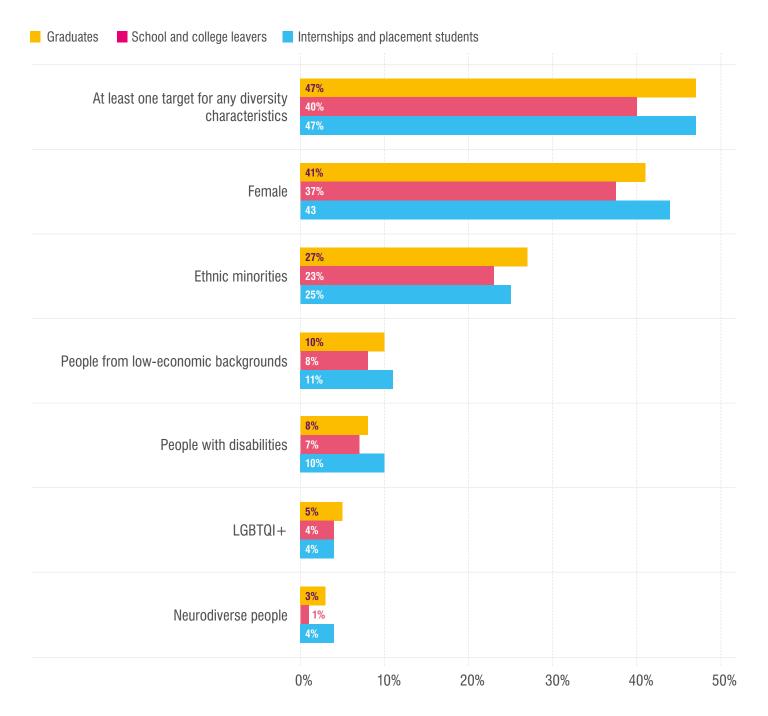
In recent years, there has been a growing emphasis on Equality, Diversity, and Inclusion (EDI) within recruitment practices, as organisations increasingly recognise the value of a diverse workforce. This focus on EDI is reflected in the setting of specific targets to ensure a balanced representation across various demographics, including gender, ethnicity, and other diversity characteristics.

This year, nearly half (47%) of the employers who had targets told us they had at least one diversity target for graduates and interns and placement students. This was slightly lower (at 40%) for employers with targets for school and college leavers.

However, the recruitment patterns across graduates, school and college leavers, and interns and placement students show similar trends in targeting specific diversity characteristics (Figure 10.1). For example, around 40% of employers have a specific target to meet in terms of gender (graduates: 41%; school and college leavers: 37%; interns and placement students: 43%).

Figure 10.1 Employers who have a specific diversity target to meet

(n=114 graduates; n=84 school and college leavers; n=83 interns and placement students)



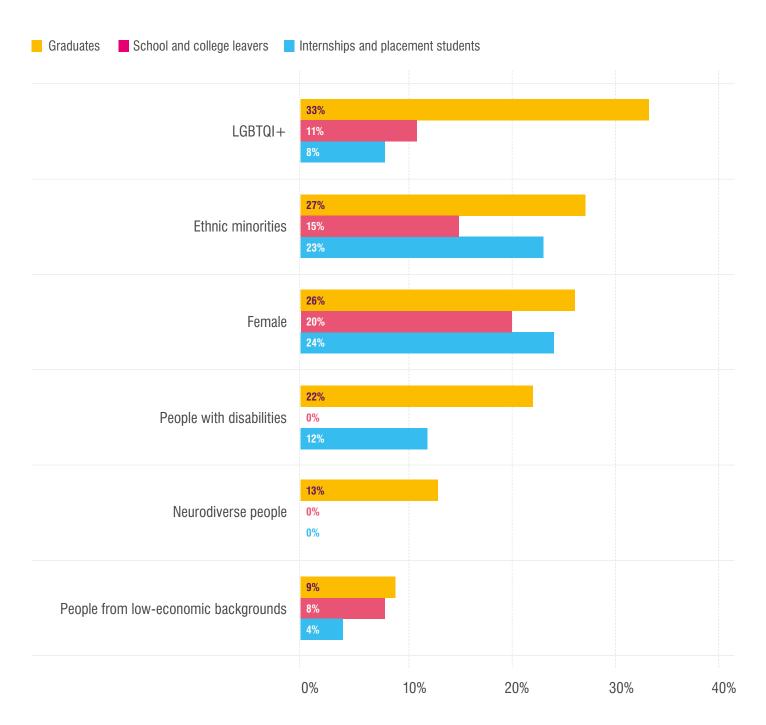
The varying rates across different diversity characteristics suggest that some forms of diversity are being prioritised over others. Much of this is in line with policy priorities and regulation e.g. with gender and ethnic diversity typically receiving more focus compared to other areas like neurodiversity, disability, and socio-economic background. This imbalance could be exacerbated by the relative ease of measuring and addressing gender and ethnic diversity compared to other, more complex forms of diversity such as neurodiversity or socio-economic background.

Among different diversity characteristics, more employers tend to have a stretch target to improve on last year's outcomes in ethnic minorities (graduates: 32%; school and college leavers: 33%; interns and placement students: 27%), followed by female (graduates: 24%; school and college leavers: 27%; interns and placement students: 24%).

Employers who had a target related to specific diversity characteristics often report that they are unable to meet the target, especially in neurodiverse people and people from low-economic backgrounds.



Figure 10.2
Employers who have met a specific diversity target



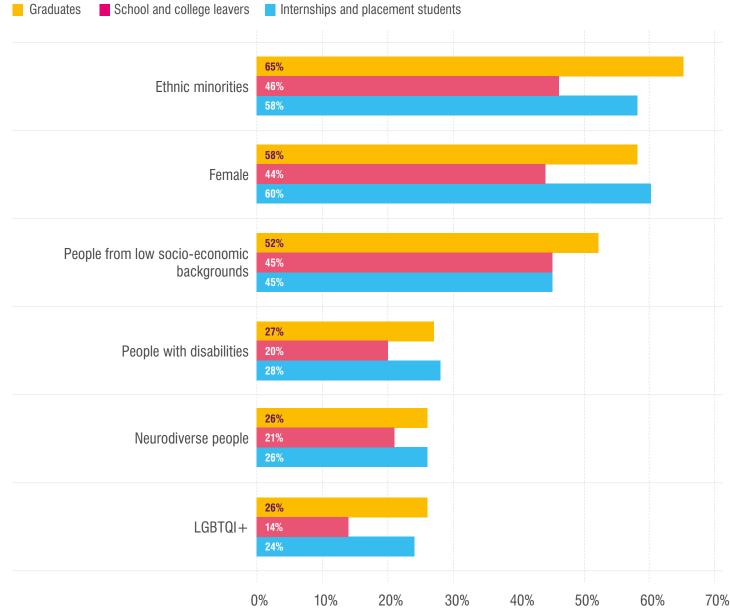
Most employers tend to run activities to increase engagement from ethnic minorities (65%) and women (58%) for graduates, interns and placement students. However, fewer employers run activities to increase engagement in ethnic minorities (46%) and female (44%) for school and college leavers.

Figure 10.3

Employers run activities to increase engagement to various diversity characteristics

(133 organisations for graduates; 110 organisations for school and college leavers; 105 organisations for interns and placement students)



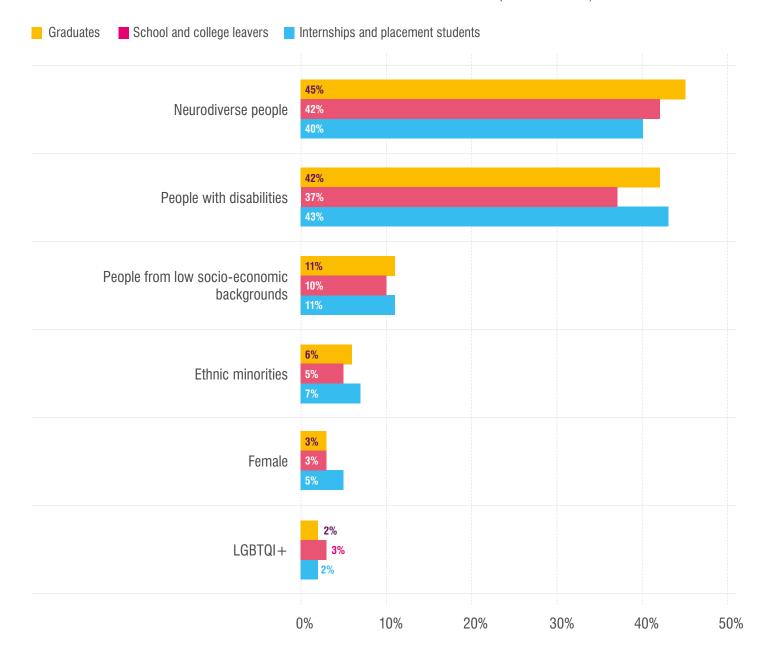




In terms of EDI activities in the assessment process, there are similar patterns in all graduates, school and college leavers and interns and placement students. More employers tend to adapt the assessment process for neurodiverse people (graduates: 45%; school and college leavers: 42%; interns and placement students: 40%) and people with disabilities (graduates: 42%; school and college leavers: 37%; interns and placement students: 43%).

Figure 10.4
Employers' adaption of assessment process to various diversity characteristics

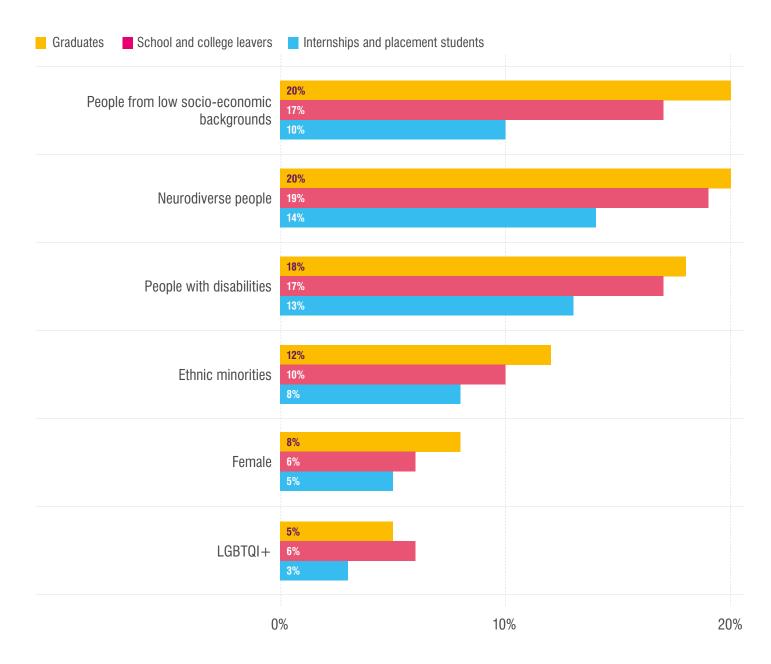
(133 organisations for graduates; 110 organisations for school and college leavers; 105 organisations for interns and placement students)





Some employers are also offering enhanced candidate support for people from low-socio-economic backgrounds, neurodiverse people and people with disabilities.

Figure 10.5 **Employers offer enhanced candidate support to various diversity characteristics**(133 organisations for graduates; 110 organisations for school and college leavers; 105 organisations for interns and placement students)



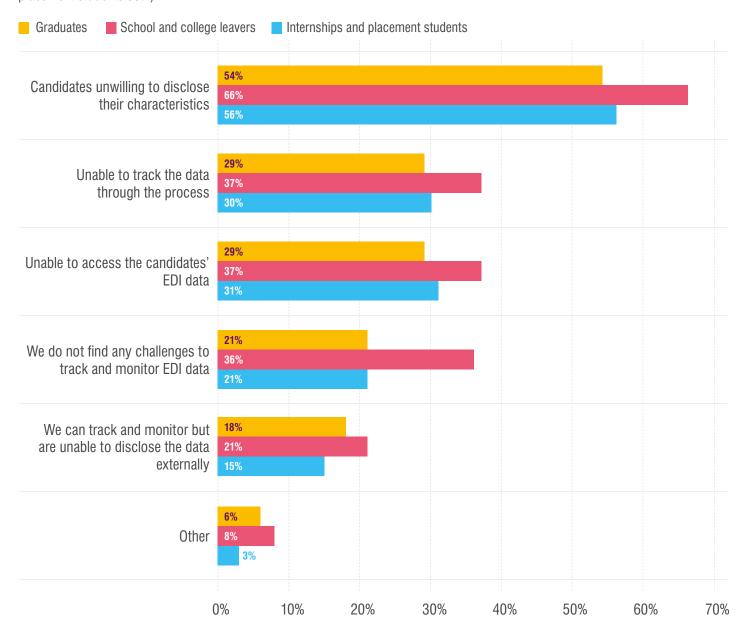


Challenges in monitoring EDI data

While tracking and monitoring EDI data, more than half of the employers reported that candidates were unwilling to disclose their characteristics as their main challenge with EDI data monitoring (graduates: 54%; school and college leavers: 66%; interns and placement students:56%)

Figure 10.6

Main challenges in tracking and monitoring EDI data
(112 organisations for graduates, 73 organisations for school and college leavers, 88 organisations for interns and placement students)





While the data suggests that employers are making some progress in improving diversity and EDI continues to have a relatively high profile, this data also raises some areas for further consideration.

Firstly, it is clear that there are major challenges in accessing candidate EDI data. The limits in terms of data access mean that there is an incomplete understanding of how EDI issues are playing out in early career recruitment.

This may be exacerbated by internal issues within organisations, which mean that while recruiters are tasked with addressing issues, the data is not available to them or is held in another part of the organisation so they cannot take a data driven approach to tackling EDI issues.

Finally, it is important to recognise that there are conceptual issues about what constitutes success in EDI. For example, is it a success if applications and hires match up to the proportion of a particular group in the national population, the local population or the student population? How are issues of intersectionality addressed in these kinds of measurements? And does defining success in such measurable terms in fact miss some of the important issues related to the 'inclusion' aspect of EDI.

These issues are ones our members continue to grapple with, and we thank our EDI working group for their continued efforts to progress the conversations on these important topics.



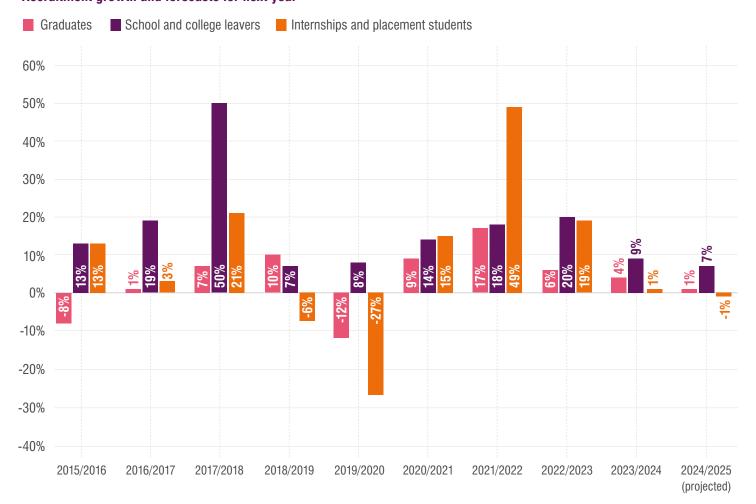
Employers' predictions for growth

Figure 11.1 shows the percentage change in recruitment volumes from 2015/2016 with projections for the next year.

Immediately after the pandemic, there was sustained growth in student vacancies, but this has been slowing down ever since and is predicted to largely flatline next year. However, at present there is no suggestion that the overall market is going to go into decline and there is still a need for the UK to attract, train, and retain more skilled professionals across a variety of industries. Despite the slowdown in growth, ISE members are still hiring significantly more students than they were before the pandemic.



Figure 11.1 Recruitment growth and forecasts for next year¹⁷



¹⁷ This figure combines the reported rise or shrinkage in recruitment levels reported in ISE's recruitment survey reports with the data collected in this year's survey. There are variations in the sample across the years and so these data should be viewed as indicative.

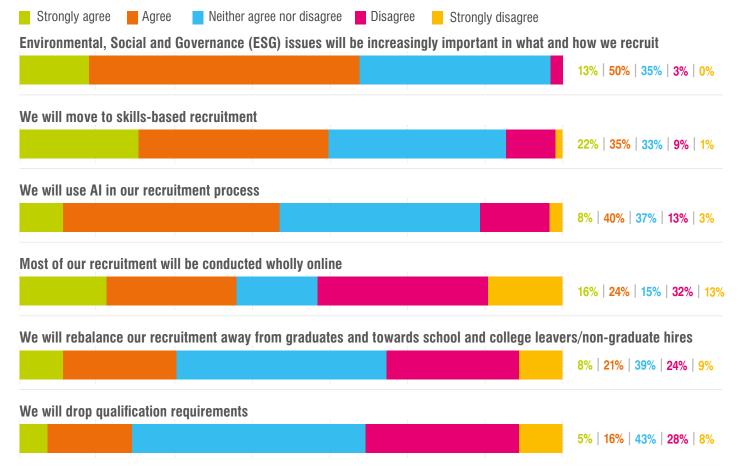
Future plans for recruitment

Employers were asked to reflect on a series of questions about their plans for their student recruitment over the next five years (Figure 11.2).

Figure 11.2

The future recruitment plans of employers (119 organisations)





Most (63%) of the respondents agreed that Environmental, Social and Governance (ESG) issues will be increasingly important in what and how they recruit.

Regarding the use of AI, as we reported earlier there are only a minority of employers who are using AI in their recruitment currently and that number has gone down slightly from last year. However, almost half (46%) of the respondents expected that they will use AI in their future recruitment processes and 40% expected most of their recruitment will be conducted fully online in the next five years. Given this, it seems likely that AI will continue to grow in importance for early careers recruitment.

While only a minority of respondents (21%) anticipated that they will drop qualification requirements, most respondents (57%) expect to move to a recruitment approach that focuses on evaluating candidates based on their skills, rather than on their education or past work experience.

Additionally, more than a quarter (29%) expected to rebalance their entry-level recruitment away from graduates and towards school and college leavers.



of employers
agreed that ESG
issues will be
increasingly
important in what
and how they
recruit in the
future

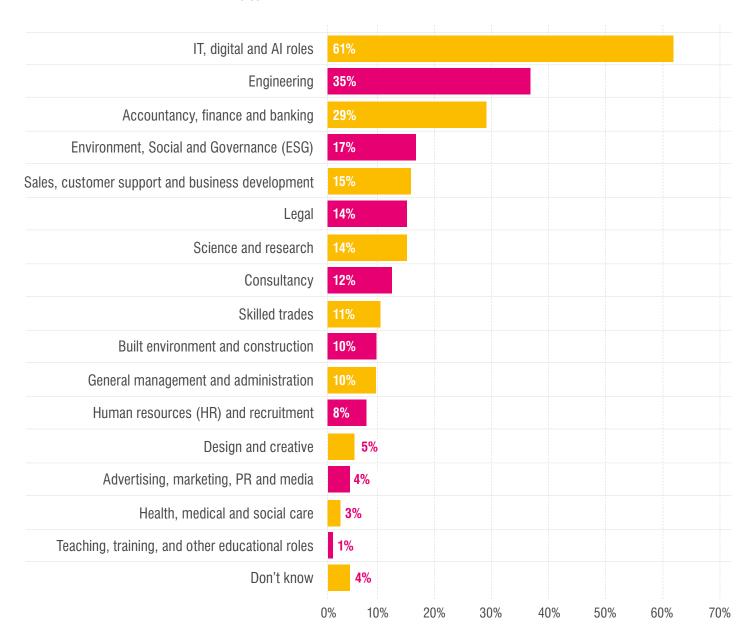


Figure 11.3

Job roles that
organisations think will
need more in the future
(113 organisations)

Job roles

Respondents considered which roles they think will become more in demand in the next five years (Figure 11.3). Those that were flagged as more necessary in the future are IT, digital and AI roles (identified by 61% of respondents) which is similar to last year (62%). Compared to last year (28%), more employers (35%) expected that they will need more engineering roles.



Changing context

Figure 11.4 shows how employers feel different contextual changes will impact the number of students they would recruit.

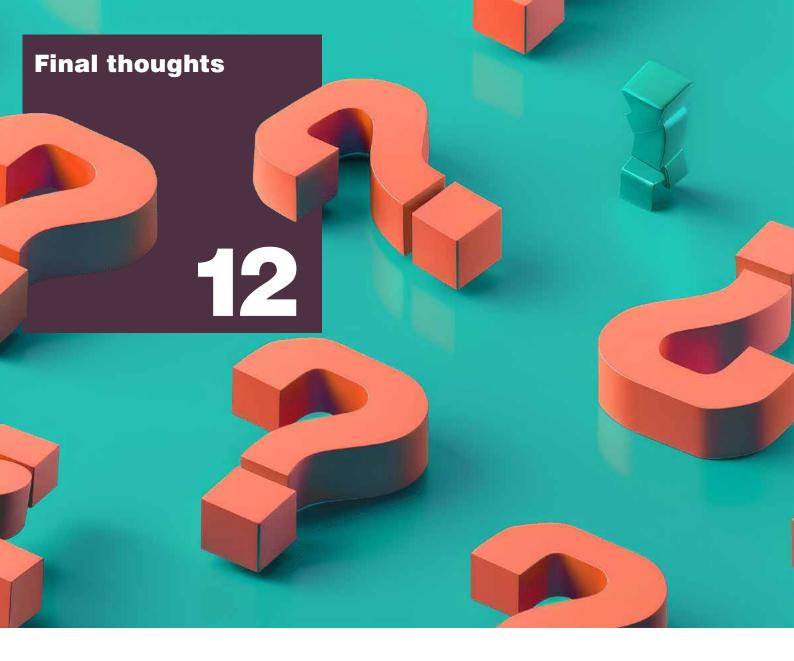
Changes to workforce demographics (33%) is the main factor which would cause employers to recruit more in the coming years. This is linked to the combination of declining birth rates and an increasingly ageing population, including the anticipated retirement of the last of the baby boom generation in the next few years.

Some employers indicated that technological advancements (27%) and automation and AI (21%) may see more students recruited, perhaps due in part to their higher levels of IT-literacy than older employees, and in part to a perception that new technologies will generate new opportunities and create new forms of work.

Similarly, 18% felt that net zero and climate change issues could create more job opportunities for students in the coming years, likely linked to the increased focus on "green jobs" and the advent of new opportunities within this area.

The highest number of employers (41%) are concerned that difficulties in the economic climate could cause them to recruit less in the coming years. Inflation and a rise in the cost of living (25%) is the second biggest factor which would cause them to recruit less in the coming years.

Figure 11.4 Anticipated student recruitment changes following different contextual changes over the next five years (102 organisations) Recruit less No change Recruit more **Economic climate** 41% | 51% | 8% Inflation/cost of living 25% | 70% | 5% **Changes to immigration** 21% | 76% | 3% **Automation and Al** 19% | 61% | 21% **Technological advancements** 16% | 57% | 27% Changes to workforce demographics 7% | 60% | 33% Change in government 7% | 83% | 10% Gig economy 6% | 92% | 2% Net Zero / Climate change 1% | 81% | 18%



While employers continue to be positive about hiring students and continue to invest in recruiting early careers talent, there is also an anticipation that growth in the market is slowing down and there may be further turbulence ahead due to political, economic and technological changes.

The creation of Skills England, the remoulding of the Apprentice Levy into a Growth and Skills Levy, and the continued impact of demographic and technology change will all impact the student recruitment market.

The student recruitment sector continues to become more complex as demographic and economic forces impact talent strategies and technology reshapes working practices. Student recruitment is certainly more of an all-year-round endeavour. Recruiters increasingly deal with multiple talent streams as well as a range of competing agendas from their organisation, the educational institutions that they partner with, and changing expectations from society. This growing complexity manifests in every aspect of recruitment from marketing and assessment to hiring and onboarding.

Looking to the future, respondents perceive major challenges and changes across all aspects of their work. Whether it is the role of AI in assessment or the growing expectation to make a bigger contribution to Environmental, Social and Governance (ESG) issues, it is clear that the job of the student recruiter is not getting any easier.

We hope that this report has helped members to gain an overview of what is currently happening in the student recruitment landscape, and to begin to develop plans for the future. Whatever changes in the context, the harnessing of early careers talent will remain critical to the future of all organisations.



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