



# Mind the Grad Gap

An insight into graduate expectations of post-education employment and the reality according to employers



In 2017, we asked whether Graduates have the same view as leading business directors about the skills, expertise, ambition, drive and commercial acumen required to be a sales force to be reckoned with; and are they motivated more by big salaries or job satisfaction, team spirit, or job security?

*Two years later, we now look at how these perceptions may have changed; and if so why?*

### Key business areas investigated in this whitepaper are:

- [Grad Gap 1: Salary and Graduate Priorities and Expectations](#)
- [Grad Gap 2: Importance of a Degree](#)
- [Grad Gap 3: Skills and Training](#)

## Grad Gap 1: Salary & Graduate Priorities & Expectations in 2017

We asked graduates to score a whole list of metrics they thought important in their first role. Here are the top 5:

High Starter Salary: **21.06%**

Challenging Role **18.8%**

Training and Development **17%**

Job Security **13.9%**

Feeling valued **10.43%**.

*In 2017* – nearly half of all graduates surveyed hoped to achieve £21,000 - £30,000 within their first role, with 62.4% regarding themselves as 'optimistic' about their career prospects.

*2017 Reality:* Despite graduate's salary ambitions, the reality is that in 2017 only 16.2% achieved a salary within the 21 – 30 K bracket, with the majority (73.1%) securing less than £20,000.



16.2%

of graduates achieved a salary within  
the £21-30K bracket in 2017

## So how have salary expectations changed 2 years later?

Despite the uncertainty of Brexit and wider economic factors, expectations have remained broadly the same, with almost 50% of 2019 graduates, as in 2017, expecting to earn far more than they will achieve in their first role, with actual average earnings/salaries remaining unchanged. Latest insight suggests salary ambition is still high, with those looking for roles in London expecting £25,000+; and those elsewhere looking within the £20,000 to £25,000 range. Recent analysis by graduatejobs.com revealed that the median salary range is now £19,000 - £22,000, with little change here from 2017, confirming the gap between expectation and reality is still as high.

### Why have graduate starter salaries not increased?

Research suggests a few key driving factors: Brexit uncertainty, with a study by the London school of Economics finding that "Relative to G7 countries, however, the UK has slipped from having the highest growth rate in the G7 before the vote, to the lowest now" (LSE, 2018). This is a sentiment echoed by the graduates themselves, with a study by the Bright Network in 2018 finding that 41% of current undergraduates believe that Brexit will damage their career prospects.

However, this is more than balanced by positives in other areas: the explosive tech market, which has gained leapfrog ground over the last 2 years, is fuelling graduate optimism. High profile young digital entrepreneurs, new and exciting job titles in new tech sectors, with higher starter salaries, is cushioning the blow any Brexit fears might be generating. Our evidence also shows that graduates planning a career in sales remain very confident (although this could be attributed to the natural confidence of sales people!).

2017  
Vs  
2019

Wage Expectations // unchanged

Career Optimism

UP

## Grad Gap 2: Graduate Views & Expectations on the Importance of a Degree in 2017

- **Two years ago, 52.35% thought their university would equip them with the workplace skills needed in their career. However, only 35% of graduates in 2017 actually worked in fields related to their degree.**
- **62.24% were dubious or disparaging about their degree's likely ROI**
- **87.14% claimed more needed to be done by universities to provide their graduates with more commercial skills.**
- **71.97% of employers in 2017 believed academic institutions don't work closely enough with businesses to deliver the skills and education graduates need for the workplace.**



So how has the importance of a degree shifted 2 years later, in the eyes of employers, and graduates? Are graduates now more likely to use their degrees in their first role? Have degrees become more fit for businesses?

In a survey of recruitment professionals conducted by CV Library, 84.1% of them said that they believe a degree is becoming less essential to securing a job, a worrying prospect when you consider the fees involved in higher education today: with most graduates leaving with over £30,000 in debt.

It's an interesting statistic, we have to question 'what kind of job' the survey refers to? Entry level graduate jobs vary dramatically in quality.

We work with many of the UK's top graduate employers, and they still believe a degree to be almost essential for any new hire due to the academic mentality and drive that it represents.

*The reason the degree subject matter itself is less used in employment roles is likely to be result of several factors:*

- The advent of new roles in various forms and sectors (from 'transformation' and 'customer experience managers', to the more extreme 'happiness engineers' and 'directors of storytelling' - the digital era has created roles and skills gaps that it seems universities, can't or just aren't choosing to teach.
- As automation continues to swallow up more operational and process based roles, an increasing number are more focused on a range of business critical soft skills. Graduate hires are increasingly assessed on culture fit, attitude and attributes, rather than academic fit or field. A degree is becoming more of a top line reassurance that a certain intelligence bar has been met – the nature of the degree has increasingly less relevance to employers in the bulk of industries.

This bodes well in many ways for the apprenticeship sector. Apprenticeship learning is intrinsically more meshed with the needs of the business, with apprentices learning on the job. Under the new legislation, employers here have been allowed to have their say and tailor the learning content to the needs of the business so that the learner emerges fit for role. Apprenticeships may well gain an even stronger foothold in the UK job market over the next few years, with the aim of filling the commercial skills gap in the 18 – 24 age bracket.

2017  
Vs  
2019

Importance of a Degree // unchanged

Relevance of a Degree **DOWN**



### Grad Gap 3: Expectations and Opinions on Skills and Training in 2017

**90% of graduates in our poll two years ago considered training to be quite or very important, and a key motivator in joining a company.**

**Interestingly 63% of employers stated graduates needed more than a month of essential training to achieve basic competence in a new role – with only 7% of graduates agreeing this to be a necessary measure! By stark contrast, graduates think they need between just 8 and 16 hours of training in their new role – an excusable bullishness, perhaps resulting from lack of experience.**

**Graduates do acknowledge that employers prioritise candidates who bring some form of training experience to the table when seeking their first role. Graduates realise it's a great way to make themselves stand out in a competitive marketplace: In 2017, 25% of graduates were willing to invest in unpaid internships, 23% in training courses and 19% in paid internships, to gain a competitive edge.**

**Employers shared these views, with 35% claiming they would prioritise candidates with paid internship experience the highest, and that 'training' or workplace experience of some kind, paid or unpaid, was essential for selection.**

### So how have expectations changed in 2 years?

In the current job market; training and development remain as important as ever, with 86% of millennials stating that the offering of career-development and training would motivate them to stay in their current role. (Bridge).

The effect of on the job training isn't just purely motivational, with a study by the Huffington Post revealing that companies which provided comprehensive training experienced a 24% higher profit margin than those that did not. We predict that investment in training and development will only increase, as the culture of employee centric environments continues to flourish, and employers increasingly acknowledge it's value to the bottom line.

But it will be joined by other new and emerging employee motivators for Gen Z. Future Laboratory highlights that in order to attract and retain high-calibre employees, companies need to foster a more flexible and collaborative environment. This might involve hot-desking, ideas workshops and regularly switching teams. Not only do employees respond well to this style of working, but corporations benefit too as it better equips them to compete with the start-ups that are disrupting their business.



Importance of Training **UP**





**PARETO  
LAW**

So, having established the ways the graduate job mentality has (or hasn't) changed in the past two years, what can we do to address these issues?

At Pareto we have over 20 years of experience in finding the top 20% of graduate talent to ensure your business is at the cutting edge, with over 25 assessment days running across the UK every month.

By providing every candidate with 128 hours of training and support; we guarantee that any new hire is fully equipped with all the commercial skills necessary to hit the ground running, with many Pareto graduates outperforming their managers within 12 months and going on to achieve huge success.

So if you're looking to hire, train, or are interested in how we can help you develop your business: contact us on 0808 291 4530

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