

Map of the future

Schmoozing with graduates to entice them to your firm is just the start – even the brightest sparks need supervision. Stewart Forsyth explains how to get the most from graduate recruitment.



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What do you do after you hire a new graduate? How do you get a return on your recruitment investment? Spare a thought for Sally – after 18 months she is the only one of her intake group of nine grads who is still with the firm. Unfortunately for the firm the break-even point for a grad is at two years. That is a lot of time and money not producing a return for the partners.

Best and brightest

Businesses, including but not limited to professional firms, go to a lot of trouble to attract and hire the brightest of each year's graduands. They target the ideal people, present to and schmooze with them, then pull them in for multi-level assessment:

- Some firms are looking for analytical power;
- Some go for the range of experience that indicates capability to cope with a varied career;
- Others look for 'T-shaped' grads with broad knowledge and learning ability as well as a deep specialisation.

But what is the evidence that firms get performance from their grad hires? We will look at retention of grads – because, no matter how effective they are, if they leave they are not doing you any good (the reverse – because they are likely to be helping your competitors), and what drives good performance.

First fruits

A long term follow-up study of UK grads indicates what helps keep grads in their first job (Arnold & Davey, *Applied Psychology: An International Review*, 1999). As you would expect if you tried to get close to the work reality of a grad, career opportunities are the thing. Why would you put up with the poverty and patronising academics unless you were vitally interested in your long term career prospects?

Having invested several years in the process you, as a grad, want to get some results for your trouble. You shop

around for the best firm in the best industry so you can pay off your loan, use your skills and get ahead. The 474 UK grads studied had completed degrees in engineering, science and management and they were surveyed in their first and second years.

Driving forces

What drove these grads to leave their employers? In decreasing order of importance:

- Previous 'intention to leave' (not a surprise!);
- 'Organisational commitment' (again – predictable?);
- Perception of career development;
- Nature of their work;
- Relationships with colleagues and supervisors.

Standout predictor

Career development was the standout predictor of both intention to leave and actually leaving. It was defined as the grads' view that their organisation:

- Provided them with a map of their potential career;
- Clarified the paths available;
- Kept them informed on their progress along the path.

Career development opportunity was rated low by these UK grads, and was variable across organisations. In other words, if some of these UK businesses had sorted out and talked about the career pathways they offered, and given their grads some feedback about how they were going, they would have created a significant advantage for themselves in their retention of talent.

Promotable

We go now to another study of accounting graduates joining US accounting firms (Colarelli, Dean & Konstans, *Journal of Applied Psychology*, 1987). The survey design is similar – long term follow-up.

This time the focus is on identifying what contributed to these grads' performance. This research was done in

the mid-80s, and covered grads joining all of what were then the 'Big 8' CA firms. On their first day, their backgrounds, individual abilities and aspirations were assessed. Their perception of the work environment was measured a year later. At the same time their partners assessed both their performance and promotability.

The drivers of performance and promotability were not the same. The strongest predictors of being rated as 'promotable' were personal factors such as GPA (average university grades) and career goals ('I want to make partner') expressed on the first day.

The biggest contributors to performance were work environment factors. The top five work environment contributors to performance, again in order of significance:

- Job security;
- Supervision;
- Autonomy;
- Job satisfaction;
- Performance feedback.

Personal factors, the sorts of factors that graduates get selected for (and promoted for), made a smaller contribution to performance.

Bright sparks

An issue here could be the fact that people selected into Big 8 firms tend to be bright anyway. If they are all good, intelligence as a factor in itself shouldn't be expected to be a big performance

driver. The study authors suggest that to get performance effects as high as can be obtained through good performance management, the firms would have to select candidates with cognitive test scores 3.7 times higher than those of current recruits!

In practical terms, by all means try to get bright and ambitious grads, but keep in mind that getting them to perform is more about managing their work environment, particularly managing their performance.

Competitive edge

The results of these studies suggest that performance and loyalty will improve when supervisors:

- Give their graduate hires feedback about their performance;
- Clarify how they are doing in terms of their potential career path;
- Agree with them what parts of their job they can manage on their own.

Simple to outline, but both studies report that these areas of supervisor performance could be significantly improved. Now there's an area for competitive advantage! **ET**

Making performance matter

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