Developing a Model for What is Best in Graduate Development
Introduction | Why this paper

This paper introduces the Graduate Works Graduate Effectiveness Model, GEM.

Anyone who has commissioned or run a graduate scheme knows that it is a challenging and rewarding activity that demands high quality strategic thinking as well as great planning and implementation.

We have worked in the area of Graduate Talent Management for the last seven years. Over this period we have found a number of questions repeatedly come up.

Are there a standard set of Best Practice development activities that work?
Why do some solutions work so well in some sectors and not others?
What do we need to do to make our graduate scheme a success?
Where should we apply our effort to have the biggest impact?
Is it worth the investment to have a scheme?

Underlying these issues, and the variability of answers we see, is the lack of an effective model which supports scheme managers and executives in making decisions and which is predictive of success. This leads to schemes made up of components which are sensible in their own right but when put together, lack coherence and, in the end, impact.

From our experience there is a need for a simple model which describes how to create an effective graduate scheme and which allows organisations to manage their resources more efficiently.

That is why we have developed a model of how to develop great schemes. We believe this model is interesting as a diagnostic tool to assess where you are and what you need to do. The model is also predictive of why different sectors and different firms need to invest their resources very differently to succeed.
Our experience | How we know what we know

Graduate works is a specialist consultancy and development organisation. We have spent the last 7 years working with organisations and graduates to help them deliver higher performance and to understand better how to manage graduate talent.

In this time we have worked with
- Banks
- Retailers
- Manufacturers
- Engineers
- Tech companies
- Logistics firms
- Lawyers
- Accountants
- Architects
- Pharmaceuticals
- Construction

and every type of business in between. We have worked with huge companies with tens of thousands of employees and tiny ones of less than five

We spend considerable time with the graduates in group and one to one situations, so get a very honest, and perhaps unique, view on what the real enablers for performance are across sectors. Over time what we have found is that, though every sector and organisation is different in the day to day experience, at the level of scheme design there are common themes that we come across all the time.

We also have backgrounds as line managers, so have a strong empathy for the challenges of both the senior team, who are keen to have a reserve of talent for the future, and the line managers who are asked to manage the graduates as part of the day job.
The Graduate Effectiveness Model | An actionable model

We have set about creating and testing what we believe to be a testable and actionable model. There are five building blocks that need to be in place to create an effective Graduate Scheme.

The GEM building blocks

**One:** The clarity of objectives for the scheme, do people know what the scheme is there to achieve?

**Two:** Stakeholder buy in across the organisation.

**Three:** Getting the right graduates through the recruitment process.

**Four:** The quality and relevance of the learning experiences.

**Five:** A system to support the motivation and engagement of the graduates.

The break through for us has been to introduce item Five, the degree of motivation and engagement of the graduates. Very often, it is assumed that the motivation of the graduates is high, and on day one it normally is. However, in many organisations, as the graduates progress, you find that motivation drops and becomes the big issue affecting performance.

In many schemes the missing ingredient in the development journey is teaching the graduates how to motivate themselves.

The good news is there is a significant body of practice concerned with what it takes to create an engaging and motivating environment and around the issues of how to generate intrinsic versus extrinsic motivation.
The model | How the GEM helps?

It gives an actionable framework to interpret what you are doing today
By going out and sampling your stakeholders you can develop a clearer view on what is working or not with your current end to end programme. This allows you to move beyond an anecdotal “we like it” or “we don’t like it” mentality. With careful surveying of key stakeholders you can get to see both the view of the business and where the variations are.

It creates a framework for measuring change
Once you know where you are, you have a benchmark for change. We are also building up an anonymous version which allows you to see where you are versus other players in your sector and other sectors.

It is predictive of the success of a scheme
Our belief is that high scores will predict a high percentage of the success of a scheme. It also predicts how much extra effort you need to put in to make your scheme succeed.

It is pretty clear that some sectors have many more of the components of success built in to how they operate than others and this gives a starting point on what to do. A City Law firm starts in a different place to a Retailer to a small PR firm. This model explains why.

It highlights where you can get maximum return for effort
Without a model it is hard to know where to put your effort to improve. The model indicates where you need to put your effort, to get maximum return.
The building blocks | How they interrelate?

The model is loosely linear. You ideally start with a set of clear objectives, you get the key stakeholders to buy in, you go and recruit the right graduates, they experience some great learning and they are motivated to achieve the scheme’s goals. Each building block is a partial gate to the next. At the same time each building block is partially independent from the others.

The truth of this is best demonstrated in the negative. If you do not know your objectives how can you get buy in, recruit the right people, or design the right learning experiences?

The model is only loosely linear, however, and you do not need to always go back to the beginning to improve. The key is to identify where the biggest area for improvement is and then target that rather than getting caught up in an endless planning cycle.
The detail of the model | **What are the sub components?**

For each of the building blocks we have defined a set of sub components.

<table>
<thead>
<tr>
<th>Clear Objectives</th>
<th>Buy In</th>
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<tbody>
<tr>
<td><em>Is it clear what roles you want the graduates to be in after 2 years?</em></td>
<td><em>Is there Senior leadership buy in to the scheme and how it works?</em></td>
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<tr>
<td><em>Is it clear what roles you want the graduates to be in after 5 years?</em></td>
<td><em>Is there HR Business partner buy in to the scheme and how it works?</em></td>
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<td><em>Is the expected level of performance defined?</em></td>
<td><em>Is there Line manager buy in to the scheme and how it works?</em></td>
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<tr>
<td><em>Are there milestones and feedback loops to judge the scheme’s success?</em></td>
<td><em>Is there Graduate buy in to the scheme and how it works?</em></td>
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<td><em>Is there a positive return on the investment?</em></td>
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<th>Graduate Motivation</th>
<th>Learning Experiences</th>
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<td><em>Is the day to day work experience consistently motivating?</em></td>
<td><em>Is it clear what needs to be learned to meet the scheme’s objectives?</em></td>
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<td><em>Are the extrinsic rewards motivating in terms of status and peer group?</em></td>
<td><em>Is there a balance of technical and personal learning?</em></td>
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<td><em>Do graduates feel they have the ability to choose their direction?</em></td>
<td><em>Have the learning experiences been designed well enough to be effective?</em></td>
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<td><em>Do the graduates have regular access to inspiring role models?</em></td>
<td><em>Are the learning experiences challenging and appropriate for this demographic?</em></td>
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<th>Right Graduates</th>
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<td><em>Are you attracting the candidates you want?</em></td>
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<tr>
<td><em>Do the graduates have the ability to perform in role?</em></td>
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<tr>
<td><em>Do the graduates demonstrate the potential to reach the top?</em></td>
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<td><em>Are you recruiting more of the same or achieving diversity?</em></td>
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The model | What causes the differences across sectors?

One of the aspects of working in graduate development that has continually intrigued us is the degree of difference between the experience of running a graduate scheme in one sector versus another - for example a large Legal firm and a Retailer. On top of this how even within a sector, the difference between a head office and a store scheme or a trainee solicitor and a support services scheme is so great.

As we have applied the GEM model to our experience it became clearer why and how sectors differ.

Three notable differences are

**Ability to get clear objectives.** In many firms this is hard as the “scheme” is in fact multiple schemes under a single banner. The often hidden reality is there are multiple objectives. This makes it more important, though harder, to make sure that the objectives are recorded and there is understanding and buy in across all the key stakeholders.

**Intrinsic versus extrinsic motivation.** In some schemes it is easy to deliver a high level of extrinsic motivation as the work is challenging, the grads are busy and the pay is good. Joining a busy consultancy is a good example of this.

In other contexts this is not the case. In some schemes it is harder to get stuck in, put simply at the start there is not a lot of challenging and interesting work. In these situations it is vital that support is in place to develop the graduates’ intrinsic motivation. This is required to get through the Dip of learning and to come out the other side.

**Quality of learning experience.** For some sectors there is a clearly defined curriculum of what needs to be learned. This can be a professional framework, as in accountancy, or a compliance driven framework, as in retail stores. In others there is no curriculum and it is hard for a new starter to work out what really needs to be learned and how to go about doing it. Particularly around the tough skills of managing people. The quality of the learning experience is lower.
Different sector results | Dashboards

As an illustration we took a look at 3 different sector schemes to see if the model predicted what we expected and to test our thinking.

City Legal Firm - Trainee Solicitors

A sector where many of the components of running a highly successful scheme are naturally in place.

Areas to focus on
- Competing with other law firms to attract the best
- Actively working to improve diversity
- Creative programmes to improve communications and commercial skills later on

A Retailer - Store Scheme

A sector where we would predict a high drop out level and internal debate over the value of having a scheme.

Areas to focus on
- Increase investment in getting buy in from key line managers
- Increase investment in supporting grads to develop motivation
- Link role model line managers with grads
- Identify some learning experiences which increase challenge and allow creativity
- Potentially reduce investment in recruiting

A Utility - General Scheme

A much more challenging sector where we would predict seeing variable performance.

Areas to focus on
- Understanding the range of objectives
- Recruiting for the different objectives
- Investing in the skills of the direct line managers
- Increase investment in supporting grads to develop motivation
- A rigorous performance management process
The Model | How to use it as a diagnostic?

The model can be used as a diagnostic tool to understand how the different stakeholders in the business understand the current state of the graduate programme.

By using the questionnaire that supports the model, an organisation can quickly baseline where it is, benchmark itself against other businesses and get to understand the variance within the views of the stakeholders.

By repeating the work on a biannual or annual basis the shifts in perception can be tracked and, through a simple dashboard, the health of the scheme and its delivery of value to the business can be demonstrated. This allows the quality of the conversations between the stakeholders to be improved and to move away from describing problems to discussing investment options with measurable outcomes.

Importantly a dashboard can also indicate where an organisation is over investing and where it can save money.
Return on Investment | A quick thought

Understanding the Return on Investment (ROI) of a graduate scheme is nowhere near as common practice as one would expect for such large investments of cash.

Part of this comes down to the lack of a clear objective for the scheme in terms of how does it match the business strategy.

We have a clear view on this. In the end the graduate schemes offer a choice between buy or build. The choice that is being made is

- **Option 1** - How much does it cost to hire and retain staff for the target roles who perform at the level you need?
- **Option 2** - How much does it cost to develop staff for the target roles who perform at the level you need?

At its simplest two indicators of this are the premium you have to pay to recruit someone to a key role and the success rate of internal versus external hires.

If you have to pay a high premium and the success rate of external hires is low then a graduate scheme is likely to have a positive return. If there is a low premium for experienced hires and the success rate is high then the return is likely to be low. Clearly every organisation's numbers will be different and need to be worked out for them to get to an accurate figure.

What is certain though is that if you do not track your different entry routes of your employees in key positions it will always be guesswork.
Actions | What we recommend

Hopefully, you can see there is a significant opportunity in applying some of the ideas inherent in this model. Our mission is to improve the quality of graduate development schemes. We would be delighted to discuss any of these ideas further and to see if and how we can help you to further improve your scheme.

There are six services that we offer

Support in running internal surveys to diagnose where your organisation’s scheme is, how it compares and to identify the areas for action

A specially designed workshop process for developing a clear understanding of what the business’ objectives are and how they rank

Support in developing high quality learning experiences that match your work place

Delivery of a development programmes specifically around developing career and personal engagement, leadership and advanced communication skills

On-line graduate performance management systems so that you can see where you are at any time against your schemes objectives

Developing ROI models
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