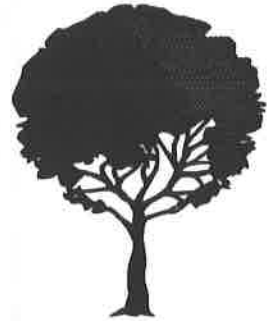


Recruiting Trends

spring update 1994



By L. Patrick Scheetz, Ph.D.
Director of the Institute

"A Study of 184
Businesses, Industries,
and Governmental
Agencies Employing
New College
Graduates"

Each September, a nationwide sample of business, industry, and government employers is surveyed to determine their anticipated hiring needs for the year. This *Spring Update* to the 23rd anniversary edition of the Recruiting Trends report contains summary data on actual hires of new college graduates during 1993-94 (September 1993 to August 1994).

In addition, data are included on hiring of contract and temporary personnel, layoffs of salaried employees, and retirements. Furthermore, changes in the job market for new college graduates anticipated by surveyed employers and factors influencing the market were identified. Efforts to meet hiring goals, academic majors and degree levels in highest demand, and job openings still available at the time of this survey were reported.

A total of 4,527 employers were invited to participate and represented (1) members of the College Placement Council or a regional placement association, (2) employers registered with Career Development and Placement Services at Michigan State University, and (3) employers randomly selected from a list of small businesses in the *Standard and Poor's Register*. Spring Update questionnaires were initially mailed first-class to employers on April 6, 1994. No follow-up reminder notices were mailed because of the tight timeline required for responses. Any responses received through May 15, 1994, were included in this final report.

Employers Responding

Responses for this Spring Update were received from 184 organizations (4.1%), and all were complete enough for statistical analysis. An adequate representation of organizations recruiting on college and university campuses was included in this final report to satisfactorily reflect the job market for new college graduates in 1993-94.

Organizations with 1,000 to 4,999 employees represented 31.0% of the respondents; those with 100 to 499 employees represented 26.1% of the respondents; and organizations with 1 to 99 employees represented 17.4% of the respondents. Organizations with 10,000 or more employees represented 9.8% of the respondents; those with 500 to 999 employees represented 13.0% of the respondents; and organizations with 5,000 to 9,999 employees represented 2.7% of the respondents.

Hiring Totals for 1993-94 Graduates

When comparing actual new college graduates hired last year with expected new hires for this year (1993-94), an increase in new full-time salaried and contract/temporary employees was reported.



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ACADEMIC MAJORS IN DEMAND

ACCORDING TO SURVEYED EMPLOYERS

All majors and degree levels requested by employers are listed in alphabetical order with numbers of requests noted in brackets ():

Accounting- BS, MBA (28)	Industrial engineering- BS (3)
Aerospace and aeronautical engineering- BS, MS (4)	Management information systems- BS (6)
Agricultural economics- BS (1)	Marketing- BS, MBA (14)
Biochemistry- BS (1)	Materials and logistics management- BS (2)
Business administration- BS, MBA (31)	Materials engineering- BS (2)
Cardiovascular technology- BS (1)	Mathematics- BS (4)
Chemical engineering- BS (12)	Mechanical engineering- BS, MS (26)
Chemistry- BS, PhD (9)	Medical technology- BS (2)
Civil engineering- BS (7)	Metallurgical engineering- BS (2)
Computer science- BS, MS (23)	Nuclear medicine- MD (1)
Economics- BS (3)	Nursing- BS, MNur (9)
Electrical engineering- BS, MS, PhD (22)	Occupational therapy- BS (4)
Electronics engineers (2)	Packaging engineering- BS (2)
Engineers- BS (11), all categories	Physical therapy- MS (5)
Environmental engineering- BS (1)	Physics- BS (2)
Finance- BS, MBA (14)	Psychology, Psychologist- PhD (2)
Hotel, restaurant, and institutional mgt.- BS (9)	Public administration- MPA (1)
Human resources administration- BS, MBA (2)	Public policy- MA (1)
	Radiology technology- BS (1)
	Social Work- BSW, MSW (4)
	Sciences- BS (1)

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Already hired, or expected to be hired before August 31, 1994, by the employers responding to this survey were approximately 2.2% additional new college graduates.

This increase compares favorably with the 1.1% increase reported in December 1993, although a smaller sample of employers responded to this spring survey. Received for this spring survey were responses from 184 employers compared to 618 in December 1993. Results from this survey suggest that the market for new college graduates is remaining unseasonably austere.

Academic Majors and Degree Levels in Greatest Demand During 1993-94

Surveyed employers listed academic majors and degree levels in highest demand for job openings available during 1993-94. Majors and degree levels hired by surveyed employers and expected to yield the most employment opportunities for new college graduates this year (1993-94) were: general business administration; accounting; mechanical engineering; computer science; electrical engineering; marketing; chemical engineering; hotel, restaurant, and institutional management; chemistry; and nursing.

Contract/Temporary Employment

Employers continued to hire contract and temporary employees to fulfill many of their needs for new personnel. Among 14,716 new college graduates hired this year (1993-94) by 183 surveyed employers were 2,737 contract and/or temporary salaried personnel (full-time equivalents). This represented 18.5% of the new college graduates hired by surveyed employers.



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Working at the time of this survey for 97 employer respondents were 24,385 contract and/or temporary salaried personnel. This number represented 12.7% of the 192,295 employees working for these organizations.

For new college graduates seeking employment with businesses, industries, and governmental agencies, the contract or temporary employment option continues to be an excellent choice, if other permanent employment possibilities do not exist.

Layoffs Among Salaried Employees This Year (1993-94)

Within the last year (1993-94), 1.2% of salaried employees in 168 surveyed organizations were laid off. Layoffs totaled 7,033 among 565,134 salaried employees.

Comparison data for a year earlier (1992-93) were provided in Recruiting Trends 1993-94. During 1992-93, 60,579 salaried employees were laid off by 211 surveyed organizations reporting data. This represented 7.8% of the total 775,643 salaried employees on the payrolls of these organizations. These data suggest that layoffs have declined in the last year.

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Retirements Among Salaried Employees

During 1993-94, approximately 17,050 salaried employees retired from 146 surveyed organizations. This represented 2.3% of the salaried workforce in these organizations. A total of 734,657 salaried employees were on the payrolls of these organizations.

A year earlier (1992-93), salaried employees retiring from surveyed organizations totaled 28,554 full-time equivalent staff, according to Recruiting Trends 1993-94. On the payrolls of the 204 employers reporting data for this survey were 730,495 full-time salaried staff. These retirements represented 3.9% of the salaried workforce in the surveyed organizations. Thus, retirements have tempered during the last year.

Anticipated Job Market for New College Graduates During Next Six Months

If the present trend of slow expansion in the economy continues, steady improvement in the job market for new college graduates can be expected; although only a slight strengthening of the economy is anticipated by a majority of the survey respondents (65.3%). Numerous employers were hopeful for more growth. Increased opportunities, especially at the entry level were expected for electrical engineering, chemical engineers, accounting, finance, sales and marketing, MBA graduates, business administration, physical therapy, occupational therapy, chemistry majors with advanced degrees, and computer science majors.

A continuing tight market with "stiff" competition was anticipated for new college graduates by 34.7% of the survey respondents. According to these employers, new graduates will need appropriate academic backgrounds for available positions and some related work experiences (i.e. cooperative education, internship, etc.).

Some graduates may have to accept temporary jobs or lower paying positions to get "a foot in the door." Temporary employment turning into permanent assignments is continuing among numerous employers. For new graduates, this route to permanent positions is not a familiar one, but employers cite fears of major changes in the economy and mandated increases in employment benefits as reasons for limited hiring to continue.

Respondents to this survey noted that the market is tougher than new graduates realize. Competition is great. New graduates all think that they are the best there is, even better than other applicants with extensive work experiences. But employers prefer new graduates with more career-related experiences.



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Among some employers, opportunities for new graduates will only be available to students presently employed part-time with the company or on scholarships paid by the organization. Older, more experienced personnel are providing substantial competition for new graduates too. Experienced personnel are accepting lower starting salaries, thus making it harder for college graduates to land jobs.

Turnover among current employees is presently low (approximately 1-2%). More turnover is not anticipated unless increased job opportunities become available.

New taxes and the specter of mandated health care benefits have made all employers afraid to hire new personnel, but, according to surveyed employers, it looks like President Clinton's health care package will not make it through Congress as written, so most businesses and government agencies are expecting to relax and begin hiring at cautious levels in the next six months, unless something unexpected rocks their confidence.

Factors Influencing the Job Market During the Next Six Months

Surveyed organizations identified factors that are expected to most influence the job market for new college graduates in the next six months. The economy was reported as the most influential factor.

According to 36.8% of surveyed employers, present indicators, such as industrial production and inflation rates, suggest improvement in the overall economy. If the economic outlook remains positive, then the job market for new college graduates should remain upward bound. If so, organizations will become more confident and create more positions for new college graduates. At the same time, inflation must remain under control, otherwise employers will once again become conservative with their hiring of new personnel, including new college graduates.

The current business and industrial climate was cited by 14.4% of the respondents as the primary factor influencing the job market. If the current business and industrial climate continues, organizations will grow and employ more new college graduates, but at the same time, they will be cautious in the numbers of new hires brought into permanent positions. Increased sales, new business growth, new construction, and capital expenditures were reported as signs of more opportunities for a few new college graduates and increased job availability.

Uncertain health care costs and pending legislation are keeping about 10.8% of employers from hiring too many new personnel, especially small businesses. Changes in health care coverages and insurance benefits will affect all employers, according to surveyed respondents. Quite possibly health care reform will tie up potential financial resources otherwise available for new positions and training. These employers believe that these reforms might also affect the overall state of the economy.

If interest rates increase at the projected rate of 1-2% during the next 18-24 months, then there could be dampening effects on corporate expansion plans. Of the respondents, 7.9% expected this scenario to occur. Higher interest rates could hinder improvement in the economy too. Government influences on the economy (i.e. more government regulations) could kill economic growth too.

Attrition could create some employment opportunities, according to 6.5% of the respondents. Turnover, vacancies caused by expansion and retirements, especially in key positions requiring replacements, will be strong influences on the new graduate job market.

Reorganization and reengineering is continuing in some organizations (5.7%). Downsizing among larger companies, downsizing at management levels, reductions in sales staff (top heavy), pending mergers, and corporate restructuring were noted. Yet a few organizations reported that restructuring had occurred during the past 2-4 years, and they were now ready to resume hiring new college graduates.

Consumer confidence was another influential factor mentioned by employers (5.1%). Increased consumer

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spending would translate into increased production for American businesses and manufacturing organizations, thus requiring additional personnel. In addition, continuing growth in the economy could be expected to lead to more consumer optimism, and the cycle could begin again.

Defense spending and federal government budget expenditures were suggested by a few employers (4.3%) as primers for the current slow job market. More government spending would increase work availability for some companies and possibly affect numbers of new graduates needed. However, government funding decreases for research and downsizing of federal government agencies continues.

Global issues were another factor mentioned by a few employers (2.2%). In particular, noted were the instability in the Commonwealth of Independent States (the former U.S.S.R); Japan's trade agreements and new leadership; and conflicts in Bosnia, South Africa, North Korea, and the Middle East.

Achievement of Hiring Goals This Year (1993-94)

Most organizations (78.1%) met their hiring goals for new college graduates this year (1993-94), according to surveyed employers.

But the recruitment processes are continuing in many organizations (21.9%). Interviews are being held, offers extended, and replies are awaited. According to a few employers, not enough applicants have met their needs, so they are maintaining active recruitment processes. In other organizations (i.e. retailing, restaurants, etc.), constant needs exist for job applicants, because not enough new college graduates are willing to consider careers in these industries. In certain areas of the country, not enough college graduates were willing to relocate.

Job Openings Still Available for 1993-94 Graduates

Job openings are still available for new college graduates at this time (June 1994) within surveyed organizations, and many of these positions are expected to be filled before September 1994. The employment categories with the greatest numbers of job openings remaining to be filled were engineering, nursing, sales and marketing, retail management trainees, accounting, and state police troopers. Current job openings reported by 174 employers totaled 2,415. These are positions expected to be filled by September 1994. Job titles for these positions included the following:

- Accountants, staff accountants, budget analysts, cost accountants, staff auditors, accounting clerks, office services clerks, administrative assistants (11)
- Advertising account managers
- Architect interns
- Biologists, research biologists (2)
- Building construction production supervisors (2)
- Chemists, associate chemists, scientists, associate scientists, document analysts for chemical analysis, environmental quality analysts (7)
- Child therapists, child/adolescent specialists (2)
- Computer programmers, junior programmers, computer operators, systems analysts, systems specialists, software applications designers, software developers, software test and verification specialists (10)
- Customer services representatives (4)
- Economists (2)
- Engineers, associate engineers, aerospace engineers, applications engineers, associate design engineers, civil engineers, chemical engineers, chemical process engineers, college graduate engineering trainee, controls designer, customer engineers, design engineers, electrical engineers, equipment engineers, environmental engineers, manufacturing engineers, manufacturing process engineers, mechanical engineers, mechanical design engineers, new product support engineers, packaging engineers, product engineers, project engineers, chemical project engineers, quality engineers, engineering designers, engineering technicians, research engineers, software engineers, software quality engineers, test engineers, junior software

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engineers, project managers (66)
 Events coordinator
 Extension home economists
 Farm managers
 Financial planners, analysts (7)
 Geologists (2)
 Hospital administrative director, assistant (4)
 Human resources assistant, supported employment coordinator (3)
 Hydrographer
 Insurance claims adjusters
 Landscapers
 Meteorologists
 Military officers (10)
 Mortgage loan originators
 Registered nurses, certified registered nurse anesthetist, pediatric nurse practitioners, Nurses, OB-BYN nurse practitioners, perioperative nurses (69)
 Occupational therapists (2)
 Outpatient therapists (2)
 Physical therapists (3)
 Plant health care technicians
 Production supervisor trainees
 Public relations assistant, media assistant (2)
 Respiratory therapists
 Restaurant management trainees, gourmet retail trainees, distribution center trainees (5)
 Retail associates/ trainees, assistant managers, retail management trainees, manager trainees, buyers, retail store manager trainees (24)
 Sales/ marketing representatives, account executives, field sales representatives, commercial sales associates, sales management trainees, branch manager for sales, key accounts manager (16)
 Scientists, senior scientists, program scientists, corporate scientists, and technical specialists (5)
 Staff therapists, assistant staff therapists (2)
 State police troopers (170), motor carrier officers (25)
 Substance abuse specialists, corrections substance abuse specialists
 Toxicologists
 Traffic coordinators
 Tree trimmers
 Writers, editors (2)

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Reengineering, Retooling, and Renovation This Year (1993-94)

Serious reengineering is occurring in many surveyed organizations this year (1993-94), and, according to surveyed employers, the results were fewer personnel and streamlined processes. Nearly all employers (93.1%) reported new ways to get the job done, utilization of automated technology or computerization, downsizing, reorganization, and mergers.

Those organizations without reengineering this year (6.9%) reported extremely successful efforts in previous years, and most of these employers were beginning to slowly adjust recruitment efforts upward.



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ACKNOWLEDGEMENTS

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To the **employers** who responded to this survey, you have my gratitude. Your efforts during a very busy recruitment season with fewer human resource staff are recognized and applauded.

Several staff of Career Development and Placement Services also helped with this survey. Among them were **Wen-Ying Liu**, Graduate Research Assistant of the Collegiate Employment Research Institute, who provided computer programming and statistical analyses for this publication; **Neal Lao**, Publications Assistant for the Institute, who provided desktop publishing expertise for the survey instrument and final report; **Brenda Robinson**, Secretary for the Institute, who supervised personnel and accomplished substantial data entry; **Amy Adams**, student assistant for the Institute, who maintained data entry and comments typing; and **Katie Malleis** and **Becky Gratz**, Publications Assistants for the Institute, who assisted with editing of the final report. Thank you.

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Institute Director



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The Collegiate Employment Research Institute was established by the Michigan Legislature in 1984. The Institute is charged with the task of examining issues related to career development and the employment of college graduates. Various research projects are underway, including the study covered in this report. These research efforts attempt to provide high school counselors, college placement officials, employers and individuals with useful information for career planning and job campaigning decisions.

Your input is always appreciated. Any questions or comments about this report may be directed to either Vernicka Tyson, Acting Director of Career Development and Placement Services or Dr. Patrick Scheetz

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