

RECRUITING TRENDS

2015-16

45th Edition

BRIEF 7

Benchmarking

Recruiting Success

Key findings from 2015-16 are presented in this research brief. We have broken the release of employer information into a series of short briefs that will be made available over the next six weeks. You can download the briefs from the [Collegiate Employment Research Institute](#).



Meet the Completers

We generated this convenience sample from employers currently seeking college talent through their interactions with college and university career services offices. Nearly 200 career service centers from around the country invited their employers to participate in this study. More than 4,730 employers provided information useful for understanding recruiting trends and practices. We also included information from respondents recruiting talent for full-time positions, internships, and co-ops. Readers can use the following key sample characteristics to determine how applicable our survey results are for their campus employer base.

Company Size		
Very small	> 9 employees	9%
Fast-growth	10-100 employees	30%
Small	101-500 employees	24%
Midsize	501-3,999 employees	20%
Large	4,000-25,000 employees	10%
Very large	> 25,000 employees	7%

Key Economic Sectors	
Professional & scientific services	22%
Manufacturing	11%
Nonprofits	8%
Finance & insurance	8%
Educational services	13%
Government	7%
Healthcare & social assistance	6%

Key States	
Michigan	8%
Massachusetts	7%
Texas	7%
California	6%
Wisconsin & Florida	5%
Illinois, New York & North Carolina	4%

Role in College Recruiting	
Full-time positions	56%
Internship or co-op positions only	16%
Short-term hiring	8%
Experienced hiring	20%

Institutions Where Companies Recruit Talent	
Two-year public college	26%
Four-year public college	51%
Four-year private college	40%
Two- & four-year for-profit institution	22%
Institution with bachelor's & advanced degree programs	67%
Institution with advanced degrees only	9%
Historically black college & university	17%
Hispanic-serving institution	15%
Asian, Asian-Pacific serving institutions	14%

Active Recruiting by Region	
International	5%
Entire U.S.	23%
Regional recruiting only	72%

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Organizations use a variety of measures to assess their recruiting programs; some are common among organizations of almost every size, and some are tailored to the needs of specific organizations. A few years ago, a group of college-relations managers approached CERI for help in obtaining benchmarks to assess their college recruiting

programs. We agreed on several measures and tested them during the subsequent *Recruiting Trends* survey. Based on the survey results, we revised the benchmarks and requested feedback from a wider pool of survey respondents, including recruiting managers.

In *Recruiting Trends 2014-2015*, we laid out a discussion about the problems with zero (nil) responses on key benchmarks. This year, we went to great lengths in designing the survey to reduce the sources of interpretation error. We included seven assessment measures in the survey: five for full-time hiring programs and two for internship and co-op programs. We believe these improvements provided better statistics.

Recruiting program assessment

Respondents reported the following measurements for their recruiting programs:

- ◆ Slightly more than forty percent (41%) of respondents reported that they regularly assess their recruiting programs.
- ◆ Very small companies (<100 employees) were least likely to assess recruiting programs. They hire so few employees in any given year that they do not believe assessments are necessary.
- ◆ At the other end, nearly 75 percent of very large companies (>10,000 employees) regularly assessed their recruiting programs.
- ◆ Industry sectors less likely to evaluate their hiring strategies included organizations in Agriculture, Educational Services, Healthcare and Social Services, Information Services, and Nonprofits.
- ◆ Finance and Insurance Services (60%) and Transportation Services (60%) organizations were more likely to evaluate theirs.

Key benchmarks

For recruiting full-time positions between July 2014 and June 2015, respondents reported the following averages for key benchmarks:

- ◆ Thirty-nine percent of professional hires were the direct result of college recruiting.
- ◆ Sixty-eight percent of full-time offers were accepted.
- ◆ Thirty-one percent of new college hires were former interns or co-ops.
- ◆ A slight 4.6 percent of full-time accepted offers later reneged.
- ◆ Fifty-four percent of starting salary offers were comparable to other organizations within an industry sector.

For internships and co-ops, respondents reported the following averages:

- ◆ Seventy-seven percent of internship and co-op offers were accepted.
- ◆ Forty-five percent of interns and co-ops with Bachelor's degrees were converted to full-time employment.
- ◆ The means provided basic information but failed to capture what may be true for some benchmarks.

Conversion to full-time employees

While few organizations that employ interns or co-ops reported converting none or all of their interns, the distribution of conversion rates suggested that some organizations do very well. The top quartile converted more than 70 percent of their interns and co-ops. Some organizations fared poorly: the bottom quartile reported conversion rates of less than 17 percent.

- ◆ Organizations with fewer than 1,500 employees reported an average conversion rate of 42 percent compared to larger organizations at 50 percent.
- ◆ Construction and Professional, Business, and Scientific Services reported the highest average conversion rates, approximately 53 percent in each sector. Government and Nonprofits reported the lowest.

Professional hires from college recruiting

Only 4 percent reported that none of their hires last year were the result of college recruiting; whereas 6 percent said all their hires came directly from college recruiting. While the mean or average was 39 percent, the median was 30 percent. About 25 percent of respondents reported that 65 percent or more of their hires were the direct result of college hiring; another 25 percent indicated that less than 10 percent of their professional hires could be attributed to new college hires.

- ◆ Small to midsize organizations (101-1,500 employees) were likely to have fewer new college hires than midsize to large and very large organizations (1,501->10,000 employees). The average for midsize and larger organizations was about 43 percent.
- ◆ Accommodations (Hospitality), Finance and Insurance Services, Manufacturing, and Retail pulled fewer of their professional hires from college recruiting while Professional, Business, and Scientific Services and Transportation did the opposite.

Recruiting Program Assessment	
	Organizations with assessment plans (%)
All Size Groups	41
<100 employees	23
101-1500 employees	40
1501-10000 employees	63
>10000 employees	74
Selected Industry Sector	
Accommodations (Hospitality)	45
Agriculture	33
Construction	46
Educational Services	32
Finance & Insurance Services	59
Government	37
Healthcare & Social Services	31
Information Services	35
Manufacturing	42
Nonprofits	25
Professional, Business & Scientific Services	43
Retail	44
Transportation	60

Full-time offers accepted

While the average for full-time offers accepted was 68 percent, the reported median was 80 percent. Only 2 percent of organizations reported that none of their offers were accepted. About 15 percent of organizations attracted all the candidates to whom they extended offers. The top 25 percent of organizations obtained acceptance rates of 90 percent or more; the bottom 25 percent had acceptance rates lower than 40 percent.

- ◆ Organizational size comparisons yielded no differences and very comparable means and medians.
- ◆ Professional, Business, and Scientific Services reported the highest overall acceptance average of 73 percent.
- ◆ Sectors noticeably below the mean included Accommodations (Hospitality), Agriculture, Construction, Information Services, and Nonprofits.

New hires from former interns and co-ops

The top and bottom quartiles strongly shaped this measurement. Fifteen percent reported none of their hires came from their intern and co-op pool, while 6 percent reported all their hires were former interns and co-ops. In the top quartile interns and co-ops made up 50 percent or more of new college hires but less than 5 percent in the lower quartile.

- ◆ Organizational size does influence organizations with 101 to 1,500 employees. About 28 percent reported fewer interns in their hiring pool. The very large organizations (37%) reported more of their new hires came directly from their intern and co-op pool.
- ◆ Sectors with a low percentage of new hires who were former interns include Educational Services, Government, Nonprofits, and Transportation. (Educational Services is low because K-12 schools rarely hire their student teachers.)
- ◆ Agriculture, Construction, and Professional, Business, and Scientific Services recruit their interns and co-ops for new positions more often.

Intern and co-op acceptance rates

Three-quarters of respondents reported acceptance rates higher than 70 percent. Only a small group of organizations appeared to have problems attracting interns and co-ops.

- ◆ Acceptance rates did not vary by organizational size.
- ◆ Sectors with the highest acceptance rates for intern and co-op offers included Healthcare and Social Services and Transportation.
- ◆ Sectors with the lowest acceptance rates included Agriculture and Information Services.

Starting salaries

Responses to this query were normally distributed. We found some important differences when we compared organizational size and industry sectors.

- ◆ Midsize to large organizations (1,500-10,000 employees) felt that their starting salary offers were slightly higher than other organizations in their sectors. While very large organizations (>10,000 employees) felt they had a very slight salary advantage and small organizations (<1,500 employees) felt they were at a slight disadvantage, their means did not differ significantly.
- ◆ Competition for talent may play a part in some organizations' perceptions that their starting salaries were not keeping pace with the rest of the new college labor market.
- ◆ Information Services and Nonprofits believed their starting salaries were lower than those paid by organizations typically competing for the same talent. This perception is understandable for Nonprofits. Information Services, which includes telecommunications and Internet providers, for example, believed their starting salaries were competitive within their sector.
- ◆ Accommodations, Agriculture, and Finance and Insurance Services believed their starting salaries were higher than similar organizations.

Reneging rates

Twenty-eight percent of organizations reported that they had no reneges on offers last year. However, 3 percent of organizations reported that 25 percent of their offers were reneged. While the average is approximately 5 percent (rounded), the mean is only 2 percent. The majority of organizations reported little if any reneging, but 25 percent reported reneging rates of 7 percent or higher.

- ◆ Organizational size comparisons revealed no differences in the reneging rates.
- ◆ Finance and Insurance Services and Transportation reported the highest reneging rates.
- ◆ Accommodations (Hospitality), Construction, and Government reported the lowest ones.

Benchmarking refinements and adjustments

Refining and adjusting benchmarks are dynamic processes. To that end, we agree to work with hiring staff to construct the most useful set of benchmarks to suit an organization's needs.

Some readers may be interested in more specific breakdowns for comparison within their industry sector or organizational size classification. Since detailed breakdowns reduce the survey sample to such a degree that releasing public numbers would raise problems, CERI will entertain requests for detailed information based on the specifications of the requesting organization.

Benchmarks for Recruiting Programs							
	Conversion rate (%)	Hires as a result of the conversion rate (%)	New hires			Starting salary rate (avg.)	Reneging rate (avg.)
			Full-time offer acceptance rate (%)	Former intern & co-op pool (%)	Intern & co-op acceptance rate (%)		
All Size Groups	45	39	68	31	77	2.99	4.6
<100 employees	42	44	68	33	76	2.95	5.0
101-1500 employees	42	33	67	28	78	2.96	4.0
1501-10000 employees	51	43	66	31	76	3.12	5.0
>10000 employees	50	42	69	37	76	3.09	5.0
<i>Selected Industry Sector</i>							
Accommodations (Hospitality)	41	21	62	23	68	3.26	3.9
Agriculture	46	39	64	36	70	3.21	4.6
Construction	52	41	64	41	77	3.03	3.3
Educational Services	46	41	66	21	72	3.03	4.6
Finance and Insurance Services	45	34	66	28	77	3.17	5.4
Government	35	37	67	21	76	3.06	3.9
Healthcare & Social Services	42	37	59	34	84	3.00	4.7
Information Services	40	37	62	34	70	2.88	5.2
Manufacturing	45	35	68	34	78	3.02	4.1
Nonprofits	24	35	64	25	75	2.39	4.0
Professional, Business & Scientific Services	53	48	73	38	79	3.00	4.8
Retail	49	30	69	40	75	3.00	4.1
Transportation	40	46	69	22	8	2.98	6.2