



# RECRUITING TRENDS

2006 - 2007

MICHIGAN STATE  
UNIVERSITY



*"Bridging Education and the World-of-Work"*

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*We'd also like to encourage you to join this outstanding organization and mark your calendar for next year's Annual Conference!*

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## EXECUTIVE SUMMARY

College students who plan on entering the labor market can expect to see more job opportunities in the spring of 2007, according to information supplied by 864 companies and organizations to this year's Recruiting Trends Report. After two years of double digit growth, the expansion will slow to a modest 4% to 6%. Two opposing factors appear to be colliding in this market.

- **Employers who are aggressively hiring in anticipation of pending retirements.** This employer base is comprised mainly of large organizations in the manufacturing, utilities, retail, and professional services sectors of the economy. Joining them are small (less than 60 employees) entrepreneurial firms focused on engineering design, computer applications, and research.
- **Employers who are cutting back on hiring as the economy slows.** Two power houses in adding jobs over the past three years are sharply reducing their hiring – construction and retail. As a result, other industries associated with these sectors are also cutting back. Job losses in the manufacturing sector, while still declining, appear to have bottomed out.

MBA's will witness a much brighter year. After two year of sluggish growth, MBA hiring is expected to expand by 8% to 10%.

This year marks a return to a traditional, professional major base in recruiting. Many employers are seeking professionally trained graduates from business, engineering, and computer science. Plenty of opportunities exist for other academic majors as well. Some employers continue to seek graduates from *any* academic major, while others are specifically seeking communication, environmental science, social services, psychology and chemistry majors, to list a few.

Interesting factoids from this year's report:

- **Companies that have definite plans** to hire this year are poised to expand opportunities by 8%.
- Companies that currently have **preliminary hiring objectives** or are **still uncertain** will likely reduce hiring by 6% and 35% respectively.
- Among the 281 employers that **indicated an intention to increase hiring**, a 43% expansion is projected. Companies that are likely **to reduce hiring** (285) are projected to decrease opportunities by 26%.

- **Sales and marketing** continue to be the key positions employers plan to fill. Other demanded functions include:

- Accounting
- Management Training
- Administration Services
- Business Services
- Design Engineers

- These **economic sectors** will be **expanding** their hiring:

- Defense Related Industries
- Utilities
- Transportation; railroad, freight & delivery services.
- Electronics
- Food Manufacturing
- Medical Devices
- Food & Lodging

- **Academic majors in highest demand:**

- All Business Majors
- Accounting
- Marketing
- Finance
- Electrical Engineering
- Mechanical Engineering
- Civil Engineering
- Computer Services
- Nursing

- **Salary increases will be relatively modest.** Approximately 45% of respondents do not expect to increase salaries this year. Overall salaries are expected to increase 2% to 3%.
- A major factor determining whether a recent college hire will be promoted or given new assignment is **"Showing Initiative."**
- Some employers indicated a **preference for more experienced hires** to fill staffing needs over new college graduates **due to generational factors.**
- **Parental involvement** is an emerging trend in the job search and hiring processes.



## BACKGROUND

*This year's Recruiting Trends report presents a robust set of information provided by 864 employers. Statistically, the results (means, modes, etc.) are very stable; that is, until you look below the surface. In other words, this sample is distributed in a bimodal fashion.*

*Imagine two groups of people situated on separate islands with nothing but a large expanse of water in between. Although each is aware of the existence of the other, there is very little interaction between the two groups. On one island we have a group of very large employers and small entrepreneurial firms that are planning to hire, in some cases significantly. On the other island are companies witnessing a contraction in their business or feeling very cautious about the economy. On this island, job opportunities are expected to shrink.*

*Fortunately, growth slightly outpaces the decline, so that on the surface, the market is expected to expand by 5%.*

*In this report you will find that the situation is more complex than one might surmise from all the activity on campus. You will find surprises! You will find opportunities! You will find challenges! One phrase may grab your attention: "The Attitude!" No other single word or phrase was mentioned more frequently than this one. The attitude reflects how this generation of college graduates is approaching the world of work – with little commitment and enthusiasm.*

*We hope you find this report reader friendly. If the information that you are seeking is missing, please contact us and we will try to supply with material and information you need.*

### APPROACH TO COLLECTING INFORMATION

The Collegiate Employment Research Institute (CERI) continued its partnership with MonsterTrak and Experience in contacting employers this year. To build additional support in the non-profit sector, assistance was received from the non-profit organization that produces the publication *The Idealist*. These partners contacted their membership base several times between September 15 and October 31 to solicit support for the project. CERI mailed surveys during the third week of August to the 875 companies and organizations that participated in 2005-06, as well as to an additional 1750 surveys to past participants, school districts, hospitals, and companies in previously underrepresented fields such as arts, sports, entertainment, environmental science, agriculture, and media design. Several attempts were made to follow-up with previous participants who had not responded. We used e-mails and eventually called several hundred. We found that small employers in particular do not hire every year and typically chose not to respond in years they are not hiring. In addition, several large firms were cautious about the economy and chose not to participate this year.

### WHAT'S NEW

Input was solicited from readers of *Recruiting Trends* shortly after the report released in November 2005. We were seeking ways to refresh the format, strengthen the data presentation, and identify emerging occupations and additional topics to be included in future reports. A wide variety of comments were received with good ideas that will be put to use beginning with this issue.

First, we targeted several new occupations or attempted to expand the employer base in certain fields. This year we expended extra effort in capturing:

- **K-12 Education.** We drafted a survey especially for school districts to account for their budgetary and hiring cycles that differ from our typical employers. We targeted approximately 500 districts, obtaining responses from more than 20%. Teacher hiring information has been blended into the overall report in key places and a separate section also highlights unique questions targeted to this group.
- **Sports, Art and Entertainment.** Last year we attempted to increase our understanding of this sector with modest success. This effort was renewed with specific attention on sport management occupations. Again, we were modestly successful with responses from several professional sports teams. However, finding the access points to human resources in sports organizations proved frustrating. We will continue to focus on this sector with the hope that we can develop a partnership with an organization that can provide us an entrée to a wide segment of this industry.
- **Non-Profits.** We diligently seek input from a variety of non-profits, but we usually only capture a small number. This year, the partnership with *The Idealist* improved the quality of our information of this important sector, and the number of NPO respondents expanded to about 50. They do not appear as one group in this report, however because the North American Industrial classification places non-profits into several different sectors. For example, social assistance in the health sector appears in one category, while civil, social, and professional organizations appear in another category.
- **We attempted to simplify the salary reporting format.** Employers felt the reporting format was too detailed and cumbersome. We streamlined the request for salaries by focusing on a shorter list of key academic majors. Not everyone will be happy in that their specific majors may no longer appear in the salary table. We did witness an improvement in the level of response for the majors requested, which should provide better information in working with students. Remember, the number of reported salary figures remains small, so exercise caution when interpreting and explaining to your students and other users.

## PROFILE OF RESPONSES

Information was obtained from 864 companies and organizations, including school districts. Appendix 2 contains detailed information on respondents to this year's report.

### Key Characteristics:

- Respondents had an average of nearly 8 years experience in the recruiting role.
- Approximately 59% of the respondents were women.
- Companies from the Great Lakes region comprised 39% of the respondents (based on the mailing addresses). However, these employers recruited more widely across the U.S. as employers traveled further to find talent.
- Over 2000 individual major selections were made by the total group of respondents (each respondent could select up to five). Highest level of interest was expressed for business majors (especially accounting, marketing, finance and logistics), engineering (electrical, mechanical and civil), and computer science. Employers also continued to seek candidates from across all academic disciplines. (Note: These preferences do not include teacher education.)
- Company size ranged from 5 to over 380,000. We arranged companies in groups based on the quartiles of the size distribution:

Smallest	≤60
Medium to Small	61 – 350
Medium to Large	351 – 3,687
Largest	> 3,688

## FACTORS SHAPING THE MARKET 2006-07

Many economic factor shaping the year's college labor market and employer's decisions to hire new talent fell into the "General Condition of the Economy" category that appears every year. New for this year are the mid-term elections and the looming presidential election in 2008. The weakening of the housing/construction market, as well as the continuing struggles of the transportation segment of the manufacturing sector, concerns many respondents. The poor performance in these sectors has begun to affect related industries. About 25% of the respondents are struggling with workforce development planning as they deal with pending retirements. An unexpected "fly in the ointment" is the increased employer interest in experienced personnel rather than new candidates.

Key conditions that appeared to be critical to job growth included:

**Cost of doing business.** Energy prices have been on a wild ride over the past 18 months. Even though prices dropped sharply near the end of summer, respondents are still concerned that over the next couple of years oil and energy prices will continue to rise. Higher interest rates increasing the cost of acquiring capital, higher costs of inputs, nagging inflation (impacts cost of living allowance), and pressure to control health care and benefits contribute to a general

uneasiness about the underlying business conditions, despite high confidence in the labor market.

*"As the country's economy begins to decline (slow down) and firms will shut doors to (new hires). Graduates will find that competition is fierce for jobs."* (Advertising employer)

**Politics.** Bitter political contests, not only for the federal government but local races as well, raised concern that a shift in control of the government will impact business. Specific concerns about minimum wage, business taxes, immigration issues, positions on trade all now become major concerns for business. Global companies raised concerns about our foreign relations, and the war in Iraq bears heavily. The election did turn the control of the federal government over to the Democrats, which will probably raise caution among businesses until the new party in power and the president decide how to cooperate (or not) over the next two years. Some employers were even more concerned about the presidential election and its implications.

*"Change in political leadership and special focus on economic policies. Ability to find realistic and long-term solutions to healthcare delivery and staffing. The baby boom generations and the demand for healthcare services will bring significant pressure to all sectors of the economy."* (Allied Health employer)

**Economic Structure.** The steep slow down in the housing sector is beginning to have a ripple effect beyond the construction industry. Suppliers (such as windows, doors, insulation), appliance manufacturing, mortgage lenders, and architectural and engineering design firms are concerned about the length of the slowdown. Coupled with the struggling auto sector, many employers expressed concerns about these sectors' drag on the economy.

*"Nationally, the budget and the trade deficits must, at some point, have a depressing impact. Locally we will be facing the loss of many manufacturing jobs and related services."* (Printing Services)

*"The economy will have the largest impact on the college labor market this year. We rely heavily on the housing market. We have already seen a slowing trend in the hiring due to the decline in the housing market."* (Management Services, Architecture Design firm).

Regional economics also plays a role, particularly in the South Central states where employers are still recovering from last year's hurricanes. Several respondents from that area commented on how slow and agonizingly difficult it has been to re-energize the area and rebuild the economy.

**Labor Availability.** About 25% of our employers were pressured to deal with the pending retirements of baby boomers. Utilities, manufacturing companies, retailers, and government agencies related that workforce development plans were in place to handle the pending transition. Their concern was the *inadequate supply* of new graduates to meet their needs.

*"Many senior employees at companies in my area and others are reaching retirement age. Recruiting entry-level is more*

*important that ever so that they gain experience before the baby boomers retire.” (Manufacturing employer)*

**Hold on a minute!** Another group of employers do not necessarily feel the same way. First, many boomers may not be in a position to retire. Even with a record stock market, they do not have sufficient savings, face expensive health care alternatives, and, in the short run, a poor housing market where most of their savings are tied up. Some employers are rethinking the return on investment if they hire or retain experienced boomer employees, versus having to deal with some of the attitudinal issues of new college hires.

*“Increased expenses and reduced savings means older more experienced work force to compete with. College grads must be willing to work hard putting in extra effort and hours to compensate for their lack of experience.” (Financial Services employer)*

In addition, an abundant supply of experienced labor is currently available that presents attractive options to some employers.

*“You can find qualified candidates with experience; you don’t need to hire and train someone without experience, and you still get candidates without offering huge salaries and bonuses.” (Civic Organization)*

*“Companies are faced with labor cost issues and now have to consider whether or not they are in a position to hire people with developmental level roles, versus hiring experienced candidates.” (Logistics Services)*

Another factor is the lack of professional work experience among college graduates. Even though internships are common, the expectations of employers are much higher. As noted in previous *Trends* surveys, the quality of internship and professional experiences are critical to candidates’ competitiveness in this hiring market. Students with a resume based on traditional criteria may not be as competitive today.

*“Unfortunately, most companies are requiring candidates that have professional work experience, not those that are entry level. So it will be difficult for new college graduates to find employment. It is the vicious cycle of needing to have experience to get a job, but, no one is willing to give you the experience to get a job.” (Business Services)*

The following quote sums-up the feelings of many employers:

*“The supply of employees is greater than the demand for jobs. Most employers would rather take somebody with proven experience than gamble with college students who don’t have real world experience. College students may need to take some jobs they feel are beneath what they are capable of.” (Business Services)*

**Government.** Rules imposed on businesses often generate jobs. The Sarbanes-Oxley Act—a set of rules put together by the U.S. government to improve company audits—is a perfect example. On the other hand, the budgetary problems of government at all levels have impacted all types of services from scientific research to law enforcement. For accountants,

the world in the short run looks terrific; yet, several employers commented that when the Sarbanes-Oxley rules are relaxed (which many predict is likely to happen), the opportunities for accountants may decrease.

*“Sarbanes-Oxley has absolutely revolutionized recruiting for accountants. The need will continue to be big until the (law) changes.” (Accounting Service)*

*“For government agencies and specifically social security, staff is retiring, but due to budget cuts we likely will not be hiring.” (Administrative Agency)*

**“The Attitude.”** As a new generation enters the work force, there is historically a clash between the elders and the youngsters. Both groups seem to be out-of-sync about their attitudes and expectations in today’s labor market

*“The college labor market is not in tune with what the college graduate wants and that is flexibility and work/life balance. We are still caught in the 60 hour/week job with little or no home life.” (Telecommunications)*

Employer response is not always positive. It’s reflected in work ethic and commitment. For some employers it may be easier to deal with experienced personnel.

*“Culturally, this generation feels a sense of entitlement and we are seeing a trend in lack of dependability and effort to strive for excellence in every task, not just those that are “important.”” (Civic Organization)*

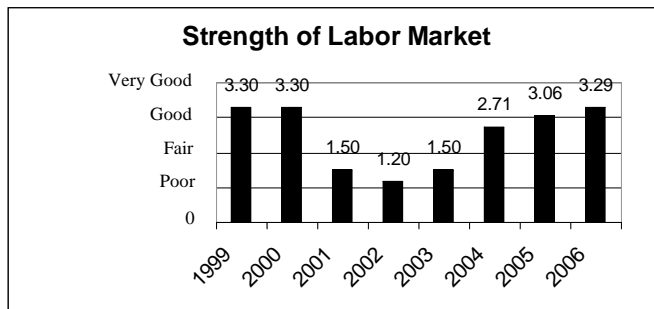
*“Large salaries for new college grads means they will have to work harder and longer with more expectations on performance.” (Accounting Services)*

*“Students less likely to accept entry level employment if they grow up in a family with great wealth. They don’t understand the importance of “work, their way up” or “paying their dues.”” (Accommodation Services)*

## OUTLOOK: GENERAL OVERVIEW

Respondents were asked to draw upon their knowledge of the national labor market, conditions in their industry, and the situations in the regions that they recruit to rate the general prospects for college graduate from “poor” to “excellent”.

**National Outlook** The national labor market this year is poised to be “good” to “very good”, according to the ratings provided by employers. The rating average of 3.29 on a 5 point scale places today’s market at the level witnessed in the exuberant markets of 1999 and 2000. Approximately 38% of these respondents rated the market as “Very Good” to “Excellent,” a 13% improvement over last year. An additional 45% believed the market to be “Good”. The following chart illustrates the decline and recovery of the college market from 2000 to the present.



When ratings were sorted by economic sector, variations were noted in how they viewed hiring in their own sectors. Sectors expressing the highest optimism included **retail, health services, construction, finance, and real estate/rental**. On the other hand, manufacturing, information, arts, and civil organizations were the least positive. As we will see below, there are contradictions between this rating and the hires actually made. For example, the construction sector continues to decrease job opportunities as the housing market slows. Yet they remain optimistic because commercial construction and several local markets are positive. Rather than hiring new labor, they indicated that they were *reassigning* personnel to current projects. More detailed figures are provided in Appendix 3.

### Respondent Perceptions of Labor Market

Strength by Sector:	Very Good-Excellent
Oil/Mining	100%
Retail	73%
Real Estate/Rental	69%
Construction	64%
Finance/Insurance	59%
Agriculture	57%
Administrative Services	53%
Public Administration	52%
Educational Services	45%
Wholesale	44%
Professional Services	44%
Utilities	38%
Health	37%
Civic Organizations	10%
*Arts (Small number of observations)	None reported

We examined the manufacturing sector more closely and learned that several segments of this sector held a more

positive outlook than other sectors. Computer electronics (57%), machinery (50%), food (50%), and medical devices (50%) reported the highest percentages for very good to excellent. Segments not as optimistic included fabricated metals (33%), transportation with the exception of aerospace (38%), and a composite of printing, paper and textiles (17%).

Within the professional service sector, accounting firms observed a very good to excellent market (71% very good to excellent). The remaining sectors, except one, believed their markets to be good to “Very Good”. Only marketing/research/advertising/public relations fell below an average of 3.0 or “Good”.

Optimism was high across all the regions of the country. All ratings, even in the Mid-west, exceeded the “Good” mark of 3.0. The ratings ranged from a low of 3.12 in the Upper Plains to 3.52 in the Southwest. All ratings improved from last year. The Southeast remains the solidest region - - meaning that there has been relative consistency of their labor market over the past several years. The Southwest labor market continued to gather strength.

- All along the Atlantic Coast employers reported that conditions in the labor market were very good. Boston continues to show strength in financial and professional services. Further south defense and homeland security are drivers in the market.
- The Midwest shows resiliency in the face of labor declines in the manufacturing sector. While the exodus of labor has slowed, suppliers continue to be cautious. Major urban centers, led by Chicago and Minneapolis, reported strong markets.
- The South Central region is mixed. Oil and gas exploration companies, based in Texas and Oklahoma, can not find enough qualified experienced workers. On the flip side, areas affected by last year’s hurricanes are still discouraged by the slow progress being made in rebuilding the coastal areas.
- The Pacific Coast and inland to the Rocky Mountains have reported the best labor market conditions since the urban *über-chaotic* years from 1997 to 2000. All sectors seem to be positive; California market appears to have recaptured its allure.
- Company size again plays an important role in shaping market perceptions. Employers with fewer than 350 employees are more cautious, reporting that the market is a solid “Good”. Small employers in the Mid-Atlantic region and across the south from Atlantic to the Pacific are generally more positive than similar employers in the northern regions. The brightest region for small employers appears to be in the Pacific Northwest, where 56% felt the market will be very good.

- The largest employers exceeding 3,687 are very exuberant, with mean rating appearing “Very Good” in nearly all regions, except in the Midwest where the rating slightly exceeds “Good”. The medium size employers (350 – 3,687) are positioned between the small and large employers. The rating difference by company size proved to be significantly different ( $F=2.713$ ,  $P.005$ ), with the largest employers rating their sector market at 3.69 compared to the smallest employers at 3.13.

### Hiring Intentions

Perceptions are a good indicator of how the labor market may turn out for this year’s graduates. Yet, the true test is to measure intentions with actual hiring numbers. Perceptions and intentions have consistently tracked actual hiring. Will they be consistent this year? This section will examine intentions to be followed by the actual hiring number provided by employers.

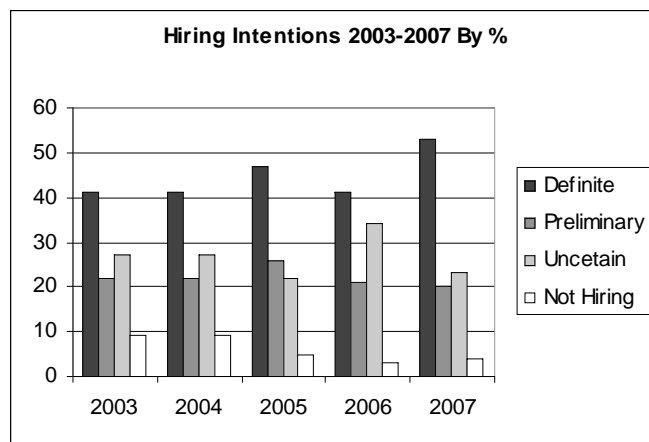
Respondents were presented four statements which reflected their hiring intentions for the year. They were asked to select the statement which best reflects their company’s or organization’s current hiring plans:

1. **Definitely** hire new college graduates this year.
2. Have set **preliminary** hiring target that could include new college graduates.
3. **Uncertain** about our hiring situation because of current economic climate.
4. Will **not be hiring** new college graduates this year.

The number of companies and organizations **not hiring** this year comprised 4% of the sample, which was comparable to the 3% and the 5% that were reported the previous two years, respectively. But figure may be understated. We called all non-respondents to last year’s survey and encourage them to respond. Several small employers (under 350 employees) chose not to respond because they would not be hiring this year, although they did indicate they would participate in the future if they were hiring.

The hiring dynamics of small employers is very different from the continuous recruitment practices of large employers. Having expanded the presence of small employers over the past three years, we have begun to document their cyclical pattern of participation. Nevertheless, only a few companies (of any size) do not plan to hire this year.

After reporting an unexpected drop in definite hiring intentions last year, this year more employers than in the previous four years will be **definitely hiring**. More than 50% indicate plans to hire, compared to 20% with preliminary plans and 23% being cautious because of uncertainty in the economy. Detailed statistics can be located in Appendix 4.



Intentions vary significantly across the company size categories. Among the largest employers (>3,687), 68% definitely intend to hire. As size decreases, the definite intentions also decrease:

Size	% Definite Intention
350-3,687	57
61-349	47
≤60	37

Small employers are more cautious, with 32% waiting to see how economic conditions turn out before making a commitment to hire.

Several economic sectors have more definite plans to hire than others. Those sectors with the highest definite intentions include:

➤ Wholesale	89%
➤ Health	68%
➤ Oil/Mining	67%
➤ Financial/Insurance	66%
➤ Construction	62%
➤ Retail	61%

The sectors reporting the lowest percentage of definite hiring intentions include:

➤ Public Administration	38%
➤ Manufacturing	39%
➤ Arts	40%
➤ Information	40%

Three regional labor markets showed higher percentage of definite hiring, including:

➤ Northeast	62%
➤ Mid-Atlantic	59%
➤ South Central	58%

The Southeast, Great Lakes and Upper Plains were all close to 50% for definite hiring. Only in these regions did definite hires dip below 50%:

➤ Northwest	48%
➤ Southwest	45%

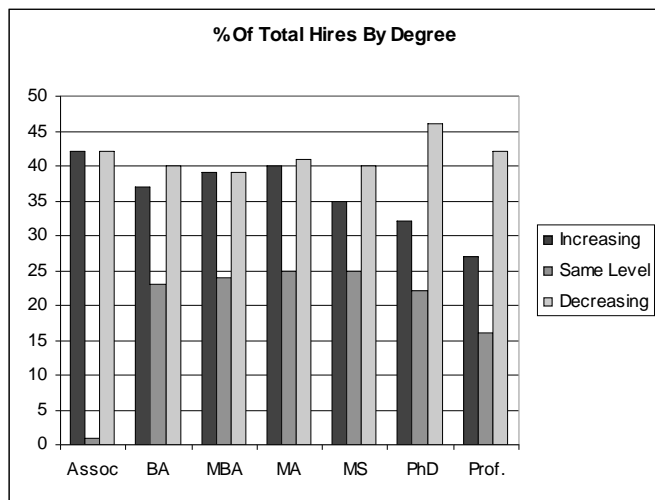
### INCREASE OR DECREASE IN HIRING



The real question is whether the expansion in job opportunities will continue (increase hiring) or the expansion will level-off (hold steady) or possibly contract (decrease hiring). By comparing this year's reported hiring levels with last year's levels, we can identify the number of firms and organizations increasing, decreasing, or maintaining the same level of hires. What emerged this year is a distribution unlike any since we started making this presentation:

**The number of employers increasing hires is offset by an equal number decreasing hiring, with only a few maintaining a consistent level between years.**

In examining the total hires to be made this year, 42% will **cut** positions (from 1 to 448) and 42% will **add** positions (from 1 to 2,525). Only 16% will hire at the same level as last year. While the percentage of those increasing remained comparable to last year, the 10% rise in those decreasing hires over last year essentially eliminated the "same level" group. See Appendix 5 for detailed information on directions of hiring.



An examination of the historical information contained in Appendix 5 reveals that the number of employers that indicated they would increase hiring has steadily declined since peaking two years ago at 49%. Total hiring has also dropped; but, interestingly, the interest in MBA's has increased.

A comparison of the *direction* of hiring by intentions (definite, preliminary, and uncertain) found:

- For those definitely hiring, 47% planned to increase total hires, with 44% at the bachelor's level.
- Of those who indicated preliminary plans for hiring (but not definitely hiring, 46% would increase total hiring, but only 34% intend to increase hires at the bachelor's level.
- For employer uncertain about their hiring plans, 52% would decrease hiring if they acted based on current hiring targets.

When the numbers are examined by hiring region, the highest percentage of employers indicating they will increase hiring in all graduate categories include:

- Northwest 55%
- Southeast 44%
- Great Lakes 44%

Regions that have the highest percentage of employers who will decrease hiring include:

- South Central 51%
- Mid Atlantic 46%

The percentage of companies and organizations that will increase hiring for bachelors degrees varies from a low of 24% in construction and retail to a high of 67% for transportation. Based on the calculations, sectors with the highest percentages for increasing hiring (bachelors) included:

- Transportation 67% increase
- Information 54% Increase
- Accommodation & Food 53% increase
- Finance and Insurance 52% increase
- Utilities 50% increase

The sectors with the lowest percentage of employers expecting to increase hiring (bachelors) included:

- Construction 23%
- Retail 23%
- Arts 25%
- Professional Services 29%
- Health 28%

Sectors that are not listed reported percentages that ranged from 33% to 44%.

Size appears to influence hiring in that companies from the largest and smallest groups reported the highest percentages for increasing hires. Among the largest companies (over 3,687 employees), 44% will increase total hiring and 43% will increase at the bachelors level. For companies with fewer than 60 employees, 47% will increase hiring for all graduates and 36% at the bachelors level. The figures drop for mid-size companies (61 to 3,687 employees): 36% plan to increase hiring for total graduates and 33% for bachelors graduates.

## ACTUAL HIRING FOR 2006-2007

The big question, based on what we have seen to this point, is whether the employers intending to increase their hiring numbers will offset those employers who planned to decrease their hiring. For this year's report, 690 employers provided hiring information. This number does not include K-12 administrators. The survey format for K-12 schools (approximately 120) was different and their responses will be reported separately.

This year's respondents provided very complete information. Only about 50 companies and organizations were not in a position, at least at this time, to provide figures on the numbers they will hire. Fewer respondents than in previous years provided aggregated hiring figures, which gave us better detail by degree level. Still, small observations for PhD and professional degreed graduates make these figures volatile and suspect. The figures for total graduate level hires generally provide the best statistical stability from which to make generalizations.

Employees in the survey expect to hire nearly 44,000 college graduates this year. In the previous two years, the survey only accounted for approximately 28,000 hires. This year we have more large employers in the sample than in previous years.

This section reports actual hiring numbers and the job growth for 2006-2007. Comparisons will be made on key company descriptions: size, economic sector, location and hiring strategy. Highlights will be presented in this section with supporting tables found in Appendix 6.

**Hiring is expected to increase 4% to 6% this year based on the total hires being made.**

### Hiring Changes between 2005 and 2006 All Responses

	n	05-06 average hires	n	06-07 average expected hires	Percent change
Total	690	61.3	690	63.7	+4
Associates	243	25.0	242	25.6	+2
Bachelors	664	43.8	664	45.3	+3.5
MBAs	178	6.9	178	7.4	+8
Masters	240	20.8	238	21.0	-10
PhD/Prof	65	8.6	59	5.3	≥10

- The average hires per company is expected to be 63 to 64 individuals. This figure is 25% higher than last year and reflects activities of large employers (see below).
- Bachelor hiring is expected to increase by 3-5%. The average number of hires will be 45 individuals.
- MBA hiring will increase 8%, which is a nice recovery after cuts in manufacturing last year. If manufacturing is excluded from 2005-06 figures, the increase this year marks the third year of modest growth in this market.

- Masters hiring will remain constant this year.

Based on their initial hiring plans, actual hiring figures show that:

- Employers with **definite hiring plans** will increase hiring by 8% (bachelors by 5%). On average, companies in this category will hire 107 individuals per organization across all degree levels. MBA's will gain 14% in job opportunities among this group.
- Employers with **preliminary hiring plans** intend to decrease hiring by 6% (bachelors will be down 2%). MBA's, however, will show very robust gains within the group. On average, this group will hire 17 individuals per organization across all degree levels.
- Employers **facing uncertainty** anticipate decreasing hires by 35% unless the situation improves (bachelors will be down 25%). On average, this group will hire 7 individuals per organization across all degree levels.

The difference is even more dramatic when comparing companies that are increasing hiring against companies planning to decrease hiring.

- For the 281 companies increasing their hires, their expansion will be 43% (39% for bachelors graduates). On average they expect to hire 72 individuals. MBA hiring is expected to more than double.
- For the 285 employers decreasing their hires, the contraction will be 26%. The average number of hires by employer is expected to be 42 individuals.
- In answer to the big question, only companies increasing their hiring will hire in sufficient numbers to offset the cutbacks in contracting firms.

**Company Size.** Over the past five years, a clear message from our annual reports was the consistent and positive impact that small employers have on college hiring. This year's figures produced some very interesting results. The largest employers (>3,687 employees) built upon last year's growth by expanding 5%. The smallest employers (less than 60), remained consistent, adding four people per company, or expanding by 25%. But the story was slightly different for medium size employers whose hiring numbers stayed relatively unchanged from last year.

- Employers with fewer than 60 employees will expand job opportunities by 25%, adding 4 individuals at the bachelors level.
- Employers with 61 to 350 employees will decrease total hiring by 1% (essentially unchanged from last year); however, the bachelors level will expand by 15%, or 12 individuals per company.

- Medium-sized firms (351-2687 employees) will expand by 2% overall and 7% at the bachelors level. They will add 15 to 16 individuals with bachelors degrees per company.
- The largest firms (over 3,687 employees) are expanding only 5% overall and 2% at the bachelors level. The number of individual hires is larger when compared to last year: 186 total hires, including 131 bachelors graduates per company.
- MBA's will see more opportunities at firms with more than 61 employees, enjoying expanding opportunities between 3% and 13%.

**Recruiting Regions.** Hiring will vary across the country. Interestingly, employers who recruit internationally and across the entire U.S. are either maintaining the same level of hiring as last year or decreasing slightly. The international employer group is expanding hiring at the Masters and MBA levels, while employers who hire across the U.S. will be decreasing opportunities.

- On the West Coast, where indications suggested a strong labor market, hiring is unchanged or slightly down from last year.
- In the other regions, total hiring will be up around 20%, with bachelors hiring up 4% to 14%.

Northeast	+19	+11
Mid Atlantic	+21	+13
Great Lakes	+13	+10
Southeast	+16	+4
South Central	+21	+14
Upper Plains	+23	+13

**Industrial Sector.** Since the number of observations in some degree categories can be small when data are disaggregated by economic sector, total hires and bachelor hires will be shown as indicators for overall hiring. Sectors vary on their hiring for next year. Highlights include:

- **The loss of opportunities in manufacturing appear to have slowed.** Overall hiring will be down 6%, but bachelors degree hiring will decrease only 1%. Hot spots in manufacturing include:
  - Food and Beverage Production
  - Machinery
  - Computers and Electronics
  - Aerospace and Defense
  - Medical Devices and Equipment

- **Several sectors are cooling off** after several years of aggressive hiring:
  - **Retail.** Still growing, but the number of hires per company is down. Small retailers are much more likely to hire than large companies.
  - **Construction.** Contracting continues, and the number of companies responding declined sharply this year.
  - **Real Estate.** While the rental segment is doing fine, real estate appears to be much more cautious.
- **Hot sectors:**
  - **Oil exploration and energy development**
  - **Utilities**
  - **Wholesale**
  - **Transportation**—railroads, trucking, delivery, and airlines
  - **Finance and Insurance**
  - **Administrative Services**
  - **Accommodation and Food**
- **Cool sectors:**
  - **Information.** Too much capacity.
  - **Education Services.** Several strong years but slowing down.
  - **Public Agencies.** Big need but small budgets.
- **Cautious sectors** that are dependent on economic conditions remaining positive:
  - **Professional services.** Fewer contracts except for accounting
  - **Health**
- **Arts and Civic Non-Profits have a small number of observations** when grouped in this manner and have unstable results.

#### **Education: Schools and School Districts**

We received information from 122 schools and school districts. Approximately ten completed the survey for business and non-educational organizations. The remainder completed the special survey developed for school districts. The responses were from predominantly public schools (94%). Their districts could be described as rural (33%), suburban (25%), urban (10%), a rural-suburban mix (18%), and a suburban-urban mix (7%) and other schools such as county wide districts (7%). The percentage of children on free or reduced-cost lunch programs averaged 35%, ranging from 0 to 70%.

Respondents provided information on the new certified teachers they hired this year. Realizing that school districts do not know what their hiring situation will be until spring—and in some cases, not until the summer of next year—we ask them to provide their best estimate on what their hiring expectations would be for 2007.

To start the school year these districts hired 7579 new teachers. Based on their estimates, they anticipate hiring 6517

new teachers next year, an 14% decrease. Factors that will influence positions will be: (1) retirements and (2) district and state finances, depending on how the schools are funded. Each of these factors gives a moderately to very strong influence rating on hiring. Another important factor for some districts is declining enrollments.

Based on the figures provided by grade level and discipline, these teachers are in highest demand:

- Elementary Teachers
- Middle School Math and Science
- High School Science
- High School Social Studies
- Special Education

Rural districts average only above one hire per discipline in high school and one elementary teacher per year. Schools in rural areas feel pressure from declining enrollments and anticipate fewer openings next year. Suburban schools and districts with suburban connections generally hire 3 to 7 teachers per discipline each year, and between 25 and 35 elementary and special education teachers. Urban schools hire around 10 teachers in the core middle and high school disciplines, over 100 elementary teachers on average, and 35 to 40 special education teachers.

The most telling comparison is when we compared districts located in the Great Lakes and Upper Plains regions—an area that demographic forecasts indicate has a declining school age population—and districts from all other states. There were approximately 65 districts in the greater Midwest region and 53 in the other states. Approximately the same number of districts were rural, rural-suburban, and suburban-urban. The Midwest had slightly more suburban schools; the other states had a few more urban schools. Midwest schools averaged 705 students, with 30% receiving free or reduced-cost lunch programs, while the other states averaged 3,079 students with 46% on free or reduced lunch.

Midwest districts hire about four elementary teachers, five special education and approximately one teacher for each discipline area. Next year they expect to reduce hiring by 25% over this year. The factors influencing hiring prospects are retirements and declining enrollment followed by finance.

In states outside the Midwest, districts hire 50 to 55 elementary teachers, 25 special education teachers, 15 to 18 middle school teachers in each discipline, and 6 to 10 high school teachers for each curriculum area. Based on preliminary estimates, they expect to hire 5 to 10% more high school and middle school teachers, and about 10% fewer elementary and special education teachers. Their hiring is influenced by teacher retirements, teacher attrition, and increasing enrollments. Some districts are constrained by district finances and uncertainty about mileages and federal support.

## Positions

Employers were asked to identify the types of positions or functional areas they would be filling with their new hires. This question was added in this year's survey, because *sales positions* emerged in 2004-05 as a position that many employers wished to fill with talented new employees. This year we improved the definitions for functional areas to be more consistent with employer terminology.

Sales, combined with marketing, remain the hot positions, with 45% of employers seeking to fill these positions. Other in-demand functional areas include:

<b>Accounting</b>	<b>30%</b>
<b>Sales</b>	<b>29%</b>
<b>Management Training</b>	<b>23%</b>
<b>Administration Services</b>	<b>17%</b>
<b>Business Services</b>	<b>17%</b>
<b>Design Engineers</b>	<b>15%</b>
<b>Marketing</b>	<b>16%</b>

Seventy-five percent (75%) of the companies selecting the management training function were large companies. Work force succession planning is well under way in those companies as they begin to experience large number of retirements. Sectors where succession planning appears to be emphasized at this time include:

- Manufacturing
- Retail
- Finance
- Professional Services

## Other Interesting Observations:

- **Small companies are filling most of the design engineering positions.** Those companies are from manufacturing and professional services.
- **Sales and marketing positions are concentrated in manufacturing, finance, professional services, administrative services, and information sectors.** All companies, regardless of size, are looking to fill sales positions.
- **Small companies dominate in seeking to fill computer service positions** (approximately 50% of those employers marking this functional area were smaller than 60 employees).
- **Both the largest companies and the smallest firms have marketing positions they want to fill.**

Listed next are functional areas that 10% to 14% of responding employers seek:

- Consulting Services
- Customer Services
- Financial Services
- Human Resources
- Information Management
- Manufacturing Production
- Project Management (Including Engineers)
- Logistics

## MAJORS IN DEMAND IN 2006

After several years of having “all majors” top the list of most requested majors, this year bears witness to a shift back to professional degrees. Reasons for this shift can be traced to (1) the slow down in the retail, construction, and housing related sectors of the economy, which generally absorb a wider range of majors than manufacturing; (2) the leveling off in hiring by professional services; and, (3) the attention large employers are giving to management training programs that focus on business and engineering graduates.

Majors in **high demand** this year will be:

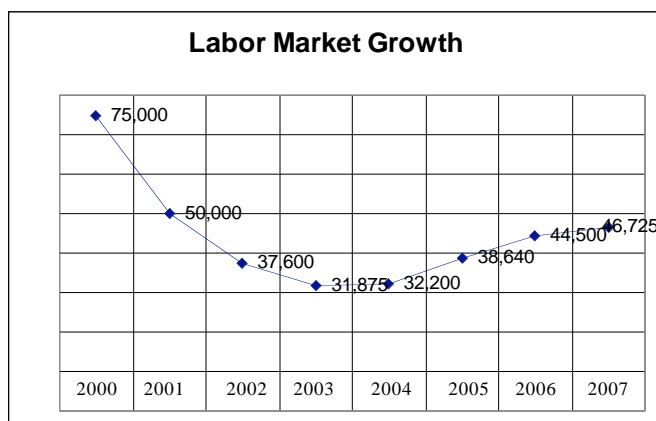
- All Business Majors
- Accounting
- Marketing
- Finance
- Business Administration
- Electrical Engineering
- Mechanical Engineering
- Civil Engineering
- Computer Services
- Nursing

That does not mean other majors will go begging. The following majors will also experience active job markets:

- Communications
- Human Resources
- Psychology
- Environmental Sciences
- Chemistry

## WHAT TO MAKE OF ALL THESE NUMBERS?

When we place this year's growth of 5% in context with the past several years, the evidence suggests that **labor growth will continue, but at a decelerating rate**. The following graph illustrates the dynamics of recent market behavior.



The market reached its peak growth (expansion) in 1999 and 2000. The “dot.com” crash in 2001 jolted the market with an immediate steep decline. This event was followed by two years of sharp declines that bottomed out between 2003 and 2004. The market began to grow at an accelerating rate in 2005 and again in 2006 (absent the auto industry). You can see that the marginal change between 2005 and 2006 was smaller than between the previous two years. This change

signals a slight slowdown in the rate of growth. This year the marginal change is even smaller, indicating the growth will continue, but at a much slower rate. Implications of this pattern can vary depending on one's perspective. Let's offer two possibilities:

1. **The labor market is reaching capacity**, implying that growth will be steady, but at smaller increments. The change in labor will be from individuals leaving work (retires, health, family) and not expected to immediately return, and from new entrants into the market seeking positions (new college graduates, returning workers). Under this scenario, the market is probably not going to increase through the creation of new positions (that never existed before). That is, new types of jobs will be created, but other jobs will be eliminated or moved. The net effect will be a slight market growth. The major challenge will be to find qualified workers to fill positions of employees exiting their positions.
2. **Following the cyclical pattern of the business cycle, the market is approaching the top of the cycle**. If the business climate continues to slow, the expectation would be that the labor market will follow suit. Projecting into the near future, hiring growth would level off and possible begin to slow.

These two possibilities are supported by evidence in this study. Business is now in its 60<sup>th</sup> month of expansion—the third longest in post-WWII history. Typically, expansion lasts only 36 to 48 months before slowing. Unfortunately, we do not often take into account a historical perspective, but rely only on recent history. The last economic expansion lasted a record-setting 120 months (1991 to 2001). Economists are split on how long this current expansion will last. Some feel confident it will last much longer; others hold to historical norms and believe it will soon run its course.

The two sectors that stimulated and served as the backbone of this expansion—housing-related activities and retail (consumer consumption)—are cooling. In fact, housing is cooling much faster than expected. Consumers are tapped out, relying on credit to keep consumption levels in line with lifestyle expectations. Other pressures such as oil prices and general inflation are influencing behavior in light of a rather small growth in income. All these factors converge to depress the labor market. About 42% of our respondents fall into this category.

Another group faces unprecedented retirements. Some companies are facing the immediate exodus of 40% to 55% of their workforce. Succession planning (workforce development) is the buzzword in many HR departments. If a company or organization cannot reorganize its labor force to tap into alternative labor supplies located outside the U.S.—such as defense, railroads, utilities, education, retail, and health—they must compete aggressively to find the talent necessary to sustain their organizations. *But not too aggressively!*



There is pressure not to let the labor market get out of control, as it did in 1999. A fierce competition will lead to higher cost for labor, impacting inflation, which could further slow the economy by imposing higher interest rates. About 25% of the survey population— 60% percent of those increasing hiring this year—are in this situation. They will be seriously challenged in their recruiting to identify, attract, and retain this younger workforce.

One last impression from this data: the two sides of the valley—represented by the bottoming out in 2003-2004—are very different. The surface characteristics may appear similar; but underneath, critical differences exist. Among them:

- **Different college graduates.** The labor market is now composed of Thirteenth Generation creative-computer types and passive, less committed Millennials.
- **Labor restructuring will continue across the globe.** India and China will continue to position their labor force to take advantage of opportunities in all facets of economic activity.
- **The mix of jobs has shifted** from high tech, strategic telecommunications and engineering, to retailing and service.

The list goes on, but the point is we have to begin thinking in different ways about how to prepare students for work and how to recruit them.

**Reading the Tea Leaves.** Little nuggets of information appeared in this study that will trigger inquiry into emerging trends, and the anticipation of changing circumstances. Three standout:

1. **Availability of experienced labor** and willingness of employers to pursue this group, rather than deal with new college hires.
2. **Decrease in hiring in non-core business functions**, such as advertising, publications, engineering, and service that might signal a broader slow down in the general economy.
3. **Rising market for MBA's.** Usually (at least my interpretation), MBA employment increases when companies are poised to make strategic changes in their companies. The last major shift occurred in the 1990's. The focus this time probably will not be around technology, but instead around market structuring! This is worth keeping an eye on.

**Global Economy:** Evidence in this year's report does not have a strong global flavor. That does not mean that global pressures are absent this year. There is still a global race for knowledge to spur economic advancement. Colleges and universities will be critical partners in the economic development of their states and regions. How the transition to a newly-powered landscape in Washington, D.C. is handled may have, and probably will have, an impact on global economic issues.

## STARTING SALARY

Only three companies planned to reduce their starting salary offers compared to last year. But, approximately 55% (482 companies) of respondents reported they *will not increase* starting salaries this year. The remaining 45% will increase their offers.

Overall, employers expect to raise starting salaries 2% over last year. If we examine only those employers who indicated that they would increase salaries, the reported increases ranged from 1% to 100%, with 3% being the most frequently reported figures. The average increase for these employers was 5%.

Commissions are becoming a common component of starting salary structure, particularly for marketing and sales positions. This year, 137 employers, or about 15% of all respondents, indicated that they would use commissions as part of their compensation package. For 75% of commission users, the new employee's salary would be entirely based on commission, with a modest base salary; 15% indicated that the commission component of compensation exceeded base salary; and, 10% provided commissions that made up less than half of compensation.

The following information on starting salary offers provides base figures only. Average salary and ranges have only been listed for majors with a sufficient number of observations to provide meaningful statistics. Caution must be exercised when applying these figures to a specific offer because they do not account for size of company or regional variations. Variations are suggested by the wide range for some majors. Some lower salaries may have commissions attached to them. In all cases, the standard deviations did not uncover abnormalities in the salary figures.

### Average Starting Salaries and Ranges for Selected Majors by Degree Level, 2006-2007

<b>Associates</b>	<b>n</b>	<b>Average</b>	<b>Range</b>
Business	136	31,840	15,000-60,000
Engineering	49	38,007	20,000-65,000
Computer (all)	35	39,114	24,000-60,000
Nursing	17	35,859	24,000-50,000
Health	24	30,838	17,000-41,000

<b>Bachelors</b>	<b>n</b>	<b>Average</b>	<b>Range</b>
All Degrees	258	38,461	15,000-75,000

Accounting	136	41,312	25,000-60,000
Finance	89	41,994	25,000-60,000
Marketing	92	39,659	25,000-60,000
Logistics	45	41,715	29,000-60,000
Business (All Other)	79	40,286	22,000-60,000

<b>Bachelors (cont'd)</b>	<b>n</b>	<b>Average</b>	<b>Range</b>
Journalism	13	35,423	25,000-45,000
Public Relations	18	37,250	25,000-65,000
Advertising	18	35,805	25,000-65,000
Communications	28	33,307	25,000-50,000

Info. Science	55	45,830	30,000-70,000
Programming	36	48,940	30,000-80,000
Computer (all other)	27	44,059	30,000-61,100

Chemical Eng.	28	51,664	30,000-100,000
Civil Eng.	46	45,556	30,000-65,000
Computer Eng.	27	51,531	30,000-75,000
Electrical Eng.	46	53,083	30,000-90,000
Mechanical Eng.	61	49,144	30,000-75,000
Eng. (all other)	53	46,191	30,000-75,000

Nursing	13	46,865	29,000-75,000
Health (all other)	10	46,670	30,000-65,000

Liberal Arts	25	34,456	18,000-55,000
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Environment Science	13	39,154	30,000-70,000
Chemistry	17	45,412	30,000-70,000
Mathematics/Stat.	13	46,569	27,000-80,000
Physics	11	51,827	37,000-80,000
Molecular Biology	11	41,818	26,000-60,000
Biology	10	40,900	26,000-58,000
Science (all other)	13	39,892	23,600-60,000

Education: Teaching	108	33,000	17,500-47,653
Social Sciences	14	33,379	22,500-44,000
Construction Science	13	39,692	25,000-65,000
Agricultural Sciences	10	38,550	34,000-50,000
Natural Resources	7	30,472	24,000-44,000
Bachelors (all other)	14	40,000	26,000-55,000

<b>Masters</b>	<b>n</b>	<b>Average</b>	<b>Range</b>
MBA	103	60,932	24,000-120,000
Master (all/not listed)	66	54,504	30,000-185,000
Labor Ind.Rel./HR	20	55,225	35,000-80,000
Accounting	30	52,650	36,000-80,000
Engineering	37	56,992	31,000-90,000
Computers	28	59,225	36,000-80,000
Science	22	46,873	30,200-65,000
Social Science	16	39,364	25,000-58,000

<b>PhD/Professional</b>	<b>n</b>	<b>Average</b>	<b>Range</b>
Business	26	65,845	34,000-120,000
Pharmacy	10	73,300	40,000-105,000
Engineering	19	68,000	40,000-100,000
Law	12	61,708	40,000-100,000
Science	17	62,059	38,000-100,000
Medicine	6	63,667	40,000-100,000
Social Science	10	51,700	40,000-67,000

# ISSUES IN RECRUITING

## SKILL REQUIREMENTS

Each year we monitor the skills, competencies, and behaviors most desired by employers. This year we probed for emerging skills and competencies. We receive a wealth of information, but the focus remains on those same skill sets identified several years ago (see Appendix 7). Last year, “geographical awareness” was listed as an emerging skill. Unfortunately, only a few mentioned it this year. A number of skills and competencies stand out: initiative, communication, and teamwork are always at the top of the list. Rather than reproduce another list, several quotes from respondents will be more eloquent:

*Ability to clearly communicate accomplishments and confidence in making recommendations.*

*Ability to lead a team and also be on a team lead by someone else.*

*Ability to do thorough secondary research and present summary.*

*Communication and the ability to work in small teams that have substantially different personalities. Also, working in cross-cultural and varying age groups.*

*Proactive, bright with professional attitude...We are looking for attitude and aptitude. Though [a new hire] may not have experience, if they do not possess these qualities, they won't make it.*

*Attitude—do they think the company is “using” them or are they just “using” the company as a stepping stone; or, do they think win-win for themselves and the company.*

*Ability to adapt to different technologies and the ability to do numerous jobs.*

*Be careful of entitlement: you are not entitled to anything in the business world, no matter if you have a degree or not.*

*People skills! Teach them to be NICE!*

*Analytical thinking and the ability to demonstrate the same diversity of knowledge.*

*Diction and being able to communicate clearly. Some graduates are very smart, but if they cannot tell someone how they did something or explain things.*

## STRATEGIC RECRUITING

Some employers have expressed concerns on the competitive nature of the labor market today. In response, companies have reviewed their hiring strategies to be more effective in making strategic hires. What types of activities and new strategies were they considering to proactively reach college students? An open-ended question asks respondents to provide a description of the new efforts.

Some activities are not surprising; they focus on doing more of the same activities that have already proven successful. Other activities are novel, but they reflect the normal

progression of technology and refined personnel assessments. One strategy we did not find is an expansion of the use of bonuses: very few respondents mentioned it. Some companies do, however, plan to raise compensation, improve benefits packages, and assist with initial housing costs to be more competitive in attracting new college hires.

- **Internships and co-ops.** Many employers intend to develop, expand, or improve retention within internship/co-op programs. A few companies recognized they have not attended to these programs—by maintaining relationships with institutions and providing quality experiences—like they should have, so they are revamping them. Many small employers seek to start programs but lack the fundamental framework and knowledge to initiate a successful program.
- **Internal procedures**
  - **Shorten the interview process**
  - **Redesign interview procedures** with better behavior questions and assessments in order to improve fit
  - **Improve compensation**
- **Expansion of activities**
  - **Target more schools**
  - **Attend more job fairs**
  - **Contact students** through phones, e-mail, focused advertising that go beyond traditional career services
- **Relationship building**
  - **Work directly with departments and faculty;** bring faculty to company locations; support faculty and department activities
  - **Identify students during first year of college** (or earlier) and work with them all four years
  - **Utilize MySpace and Facebook,** using targeted messages, activities, and advertisements
  - **Reduce job fair participation** and move to specially designed events for targeted students that fit the profile of candidates that succeed in the company
  - **Brand company to targeted student** (personalized company image)

## Where's My Promotion

We wanted to know from employers what characteristics they key on when evaluating recent hires for their next assignment or promotion. This was an open-ended response, allowing the respondent to be as broad and unstructured as they wished. A variety of skills, personal attributes and traits were offered. So

that we could stay on the publication schedule for this report, a careful examination has not yet been performed. However a quick, but careful, counting of the responses identifies several key characteristics:

- **Initiative:** Clearly the most important criteria. Includes taking responsibility of work, willing to assist others, seeking out new assignments, and seeking new opportunities for the company.
- **Work Ethic:** Having a positive, enthusiastic attitude and willingness to proceed with determination and confidence.
- **Personal attributes:** Being friendly, mature, able to handle stress, dependable, and act with integrity.
- **Learner:** Actively seek out information, pursue self-development, and quickly advance to next level of competence.
- **Quality of work:** Not only gets assignments done on time, but also demonstrates mastery of work, attends to details, and has a sense of accomplishment, as well as high standards of performance.
- **Communication:** Possesses empathetic interpersonal skills, can clearly present thoughts (written and oral).
- **Leadership:** Can structure effective teams, set common goals, and provide resources to achieve objectives.

Other factors such as passion, creative problem solving, understanding “the big picture” through various perspectives, and knowledge of the industry and company, also are important.

#### “I’m fired?!—But I did everything you asked”

In the early 1990’s, Johnson and Wales University did a quick study on what factors are likely to get a new hire fired. Their five reasons were cited widely, and I still use them frequently. More than a decade later, we asked: “Are the lack of initiative, failure to follow instructions, missing deadlines/late, ineffective in teams, and poor communication skills still the behaviors that will get a new employee fired?”

Respondents were first presented a list of ten common workplace concerns that can lead to reprimand, disciplinary action, and possible dismissal. They were asked to rate each concern as to how frequently (1= “not at all” to 5= “very often”) these infractions lead to disciplinary action. The following chart lists the actions from most frequently observed (highest mean) to least frequently observed.

Some employers reported few encounters with parents. As company size grows, the involvement of parents grows. The largest companies were more likely to report parent activities

Lack of work ethic or motivation	(fairly often) 3.46
Unethical Behavior	3.22
Failure to follow instructions	3.21
Ineffective in working in a team	3.19
Failure to take initiative	(sometimes) 3.10
Missing assignment deadlines	2.98
Unable to communicate effectively verbally	2.97
Inappropriate use of computer/technology	2.90
Being late for work	2.83
Unable to communicate effectively in writing	2.81

In order to derive a “Fab Five” list of behaviors that will result in termination, respondents were asked to pick the *one* behavior that would result in dismissing a new employee. After compiling the responses, the top reasons new employees may be terminated are:

- Unethical behavior
- Lack of motivation/work ethic
- Inappropriate use of technology
- Failure to follow instructions
- Late for work
- Missing assignment deadlines
- Ineffective in working within a team

Several thoughts surface quickly in reaction to this list. First, the penetrating depth and breadth that the Enron debacle and similar scandals have entered our lives. More than 30% of the respondents listed ethics as their top choice, clearly out-distancing the remaining factors on the list. The influence that technology has on our lives is pervasive, especially in its applications. In early 1990s, no one imagined Facebook, blogging, and an unlimited universe to search for all kinds of (dubious) material. Finally, the emerging and growing concern over the attitude that this new, young generation is bringing into the workplace: less focused, less attached, and more self-absorbed.

#### “Don’t Take your Mom to Work, Son”

Parents’ increasing involvement in their children’s transition from college to work has grabbed the attention of the media. In *Fast Company’s* January, 2006 issue, a feature article introduced today’s parent in the work place through several anecdotal stories. Recently, a CNN on-line article followed a mother as she worked over employers at her child’s college career fair. While these articles are enlightening, and I encounter similar stories each time I talk to employer groups, how extensive is parental involvement in the recruiting and hiring process? Is it an everyday occurrence? Or are a few weird stories making good news?

Several questions were developed to probe the level of involvement of parents. Seven hundred and twenty five employers responded to this set of questions (The K-12 survey did not include these questions). For 45%, they never see parents during the recruiting process. As one respondent queried, “Is this really an issue?” For another 32%, they commented that they see parents every once in awhile or infrequently. For 23%, parent involvement is a very real part of their lives, and they rate involvement from “sometimes” to “very often.”

fairly- to very often. Size difference was significant (F-10.618, p = 0.000).

What kind of activities do parents engage in with employers on behalf of their children? We presented a list of activities, based on media stories and our own anecdotal information. Respondents were asked to mark those activities that they have actually experienced. The frequency of these activities are in the following chart.

Obtaining information on company	40%
Submit resume on behalf of child	31%
Promoting son or daughter for positions	26%
Attending a career fair	17%
Complaining if company does not hire child	15%
Making interview arrangements	12%
Negotiating salary and benefits	9%
Advocating for promotions/salary increases once hired	6%
Attending an interview	4%

Many respondents felt that parents requesting information about the company was appropriate. When submitting résumés, a couple of employers suggested that the parent inform their child which companies are being sent resumes. Why? Because they called the applicant and found out the student *did not even know* about the company or that the resume had been submitted.

Did we leave anything off the list? Respondents added a few things that we overlooked:

- Helping child complete work assignment/tasks
- When disciplined, employee won't respond to supervisor until talking with parents
- Calling about deadlines, recruiting dates, other ways to interview besides on-campus
- Pressure from parents inside the company

One area where employers are beginning to realize that they may have to work proactively with parents is when candidates are reviewing offers. Candidates are relying heavily on their parent to make decisions about offers. Companies are concerned they are losing talent because parents are not properly informed about their company.

Bottom Line! Most employers find heavy parental involvement a **negative**. They will probably not hire someone whose parent has been intrusive in the recruiting process. Remember, "We are not hiring the parent!" So borrowing from Johnny Cash, "Just leave your Dad or Mom at home, son (daughter)."

## FINAL THOUGHTS

This year is going to be very busy—constant activity, as employers seek the most talented individuals graduating in 2006-2007. The market, however, can be viewed as bimodal. At one end, employers are in the throes of succession planning, preparing for the retirement of a significant portion of their workforce. At the other end, employers face a slow-down in economic activity that has shifted hiring projections sharply downward from the past few years. In between are young people, some eager, seeking employment. Some will have an easy time finding a position. For others, this will prove a challenge—not because they are unqualified, but because the number of opportunities on their end of the axis is limited.

This year may well be remembered as the year of "The Attitude," or, at least, the opportunity for employers to vent about absent motivation, lack of commitment, and inability of today's graduates to take responsibility. What a monumental challenge that is!

May you meet your challenges with success!

Have a Great Recruiting Year----

*With our deepest appreciation, we thank Kelley Bishop and Linda Gross for their professional contributions that have elevated the quality and scholarship of this report.*

## DR. GARDNER'S READING LIST

For our faithful readers who frequently want to know what other sources of knowledge inspire Dr. Gardner's analyses, a list of recent titles:

Barley, Stephen. *Gurus, Hired Guns, and Warm Bodies: Itinerant Experts in a Knowledge Economy*, Princeton University Press.

Christensen, Clayton. *Seeing What's Next; Using Theories of Innovation to Predict Industry Change*. HBS Press.

Cross, Robert. *The Hidden Power of Social Networks: Understanding How Work Really Gets Done in Organizations*. HBS Press.

Kivirist, Lisa. *Kiss Off Corporate America*. Andrews McNee.

Kynge, James. *China Shakes The World*. Houghton Mifflin.

Levine, Madeline. *The Price of Privilege*. Harper Collins.

McWilliams, David. *The Pope's Children: Irelands New Elite*. Gill and Macmillan, Ltd.

Prestowitz, Clyde. *Three Billion New Capitalists: The Great Shift of Wealth and Power to the East*. Basic Books.

Rivoli, Pietra. *The Travels of a T-Shirt in the Global Economy*. Wiley.

Strauss, Jillian. *Unhooked Generation*. Hyperion.

Wilson Quarterly (Autumn 2006). *The Global Race for Knowledge*.



## APPENDIX 1 DEFINITIONS

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Key variable definitions that were used in this report are included to clarify the text.

- a. Academic majors: The traditional list of majors used by NACE and MwACE was augmented this year with additions in creative fields and health fields. We listed 125 majors that employers could pick from.
- b. Regions of the United States:
  - Northeast: Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, Connecticut
  - Mid Atlantic: New York, Delaware, New Jersey, Pennsylvania, Maryland, Virginia, Washington DC, West Virginia
  - Southeast: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky
  - Great Lakes: Ohio, Indiana, Michigan, Illinois, Wisconsin
  - Upper Plains: Minnesota, Iowa, Nebraska, North Dakota, South Dakota, Wyoming
  - South Central: Oklahoma, Texas, Arkansas, Missouri, Louisiana, Kansas, Colorado
  - Southwest: New Mexico, Arizona, Utah, Nevada, California, Hawaii
  - Northwest: Montana, Idaho, Oregon, Washington, Alaska
- c. North American Industrial Classification (taken from Standard Industrial Classification):
  - Agriculture and Natural Resources Services:* Establishments engaged in agricultural production, agricultural services, mining activities, forestry and logging, and oil and gas extraction.
  - Accommodation and Food Services:* Hotels; motels; food services; drinking establishments.
  - Non Profits:* religious; civic; private households; education.
  - Arts and Entertainment:* Performing arts; museums, amusement and recreation industries.
  - Construction:* Includes contractors and operative builders engaged in construction of residential, industrial, and commercial buildings; heavy construction, such as highways, bridges, etc. are also included; special trade contractors and service providers associated with construction.
  - Health Care:* Hospitals; ambulatory care services; nursing and residential care facilities; social assistance, service providers.
  - Information:* Publishing industry; broadcasting and telecommunication; motion pictures and sound recording; information services and data processing services, and software producers.
  - Administrative support services:* waste management; travel services; investigation and security services; services to buildings/dwellings, travel related services; document printing and preparation; telemarketing.
  - Manufacturing:* Establishments engaged in the mechanical or chemical transformation of materials or substances into new products; also include assembling of component parts and blending of materials.
  - Transportation and Warehousing:* All types of transportation services (air, rail, water, and truck), includes support services for transportation; couriers and messengers; storage services.
  - Wholesale Trade:* Establishments engaged in selling merchandise to retailers, other wholesalers, or business/industrial users.
  - Retail Trade:* Establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods.
  - Finance:* Establishments operating primarily in the fields of finance, insurance, and real estate.
  - Professional Services, Scientific and Technical Services:* Provide services to businesses and individuals including legal, accounting, architectural, engineering, design (computer systems and specialized), management consultants; marketing research, including public opinion polls; environmental consulting; scientific research; advertising.
  - Government:* Includes activities of federal, state, and local governments, including research by public agencies (space).
  - Utilities:* Electric power generation; national gas distribution; oil and gas drilling and exploration.
- d. Company size. The range was reduced to four groups with each group containing approximately 25% of the sample.

All the analyses were conducted using the SPSS statistical package. Access to the data can be requested from the Director of Research, Dr. Philip Gardner.

## APPENDIX 2 BACKGROUND ON RESPONDENTS

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The characteristics of the respondents with complete information are provided in this appendix.

Average Years Recruiting                      7.9 years                      Range 1 year to 40 years

Respondents' Gender:                              59% female, 41% male

Regional breakdowns based on mailing addresses:

Northeast:	Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, Connecticut
Mid-Atlantic:	New York, Delaware, New Jersey, Pennsylvania, Maryland, Virginia, Washington DC, West Virginia
Southeast:	North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky
Great Lakes:	Ohio, Indiana, Michigan, Illinois, Wisconsin
Upper Plains:	Minnesota, Iowa, Nebraska, North Dakota, South Dakota, Wyoming
South-central:	Oklahoma, Texas, Arkansas, Missouri, Louisiana, Kansas, Colorado
Southwest:	New Mexico, Arizona, Utah, Nevada, California, Hawaii
Northwest:	Montana, Idaho, Oregon, Washington, Alaska

	<b>n</b>	<b>%</b>
Northeast	46	6
Mid-Atlantic	102	12
Southeast	94	11
Great Lakes	326	39
Upper Plains	58	7
South-central	89	11
Southwest	104	12
Northwest	23	3

Size of organization or size of unit (number of employees) are grouped by quantities:

<b>Organizational Size</b>	<b>n</b>	<b>%</b>
<60	222	26
61-349	199	24
350-3,687	210	25
>3,688	208	25

Industrial Sector: For each respondent their major North American Industrial classifications (NAIC) code which reflected their organizations' products and services was used to assign to industrial sector. Only the first three numerals were utilized. Some companies have more than one NAIC code. This year we chose to only assign the primary or major NAIC code. A computer manufacturer may build components (manufacturing) and sell computers (retail), for example. According to their responses, the group represented these industrial sectors:

<b>Industrial Sector</b>	<b>n</b>	<b>%</b>
Agriculture	9	1
Oil/Mining	3	1
Utilities	8	1
Construction	14	2
Manufacturing	129	15
Wholesale	9	1
Retail	29	3
Transportation	13	2
Information	31	4
Finance, Insurance, Real Estate	65	8
Real Estate/Rental	19	2
Professional Services	193	23
Business Support Services	45	5
Health	68	8
Education Services (not Schools)	19	2
Education (Schools)	121	15
Entertainment/Arts	5	1
Accommodations/Food Services	16	2
Civic Professional Organizations	21	3
Government	27	3

Recruiting Territory: Respondents were asked in which areas of the United States that their organizations recruited candidates. They were allowed to check all the areas that applied.

<b>Recruiting Areas</b>	<b>n</b>	<b>All %</b>	<b>Answered %</b>
International	83	10	17
Entire United States	215	25	44
Northeast	94	11	19
Mid Atlantic	100	12	20
Southeast	111	13	22
Great Lakes	278	33	47
Upper Plains	60	7	12
Northwest	50	6	10
South-central	86	10	17
Southwest	110	13	22



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Employers: call 800-999-8725 or email: [employers@monstertrak.com](mailto:employers@monstertrak.com).

### **The Looming Talent Crisis**

Bureau of Labor Statistics predicts that 4.6 million jobs may go unfilled by 2008, with three-quarters of these positions requiring college degrees

### **The Need to Build Strong Relations with Colleges & Universities**

The research demonstrates a need to establish a presence on campus. The literature suggests that recruiters need to build campus networks with faculty and a generation of potential employees and customers. CEIA is the door-opening organization to future employees

### **The Need to Create a Robust College/University Recruiting Strategy**

Over 80% of Fortune 500 companies employ students as interns or co-ops. Studies show that interns are often as productive as regular employees and have more positive attitudes during their work period. In addition, when hiring former co-ops/ interns to full time positions, businesses realize higher productivity, higher retention rates and lower recruiting costs.



## Your Talent Management Strategy



### **Save the Date!**

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[www.ceiainc.org](http://www.ceiainc.org)

Contact us to be put on the mailing list for  
the Conference and upcoming events!



**TECHNIQUES AND STRATEGIES USED TO RECRUIT COLLEGE GRADUATES:**

Respondents were asked to identify the strategies they commonly used to identify and recruit new talent. Nearly every respondent used multiple strategies. The two most frequently utilized were Employee Referrals (78%) and company's own on-line resume portal (78%). The latter strategies reflect policies that require all candidates to post their resumes through the company's web site before any further contact can be initiated. Both of these strategies are internal; the next set takes place on or through college campuses: Posting jobs on college sponsored web sites through service providers (65%), attending Job Fairs (66%), seeking referrals from colleges (63%), and visiting/recruiting on-campus (62%).

<b><u>Strategy</u></b>	<b><u>n</u></b>	<b><u>% Utilizing</u></b>
Company's Employment Web Page	644	78
Employee References	642	78
Job/Career Fairs	545	66
College/Service Provider Web Site	532	65
Resume Referral	510	63
Recruiting On-Campus	508	62
Internship/Co-op	458	57
Ads, Professional Journals	444	55
Local Job Boards	372	44
Staffing Consultant	151	19

When asked to identify their top three strategies in finding new talent, proactive, visible strategies tended to be preferred, even though much effort is expended through electronic methods.

<b><u>Strategy</u></b>	<b><u>Mentioned in top three</u></b>	<b><u>%Total</u></b>
College/Service Provider Web Site	258	15
On-Campus Recruiting/Visits	256	15
Company's Employment Web Page	214	13
Job/Career Fairs	206	12
Employee Referrals	206	12
Internships/Co-op	129	8
Ads, Professional Journals	127	7
Local Job Boards	122	7
Resume Referrals On-campus	103	6
Staffing Consultants	42	2

**MAJORS:**

Respondents were asked to list the top five academic majors they were seeking to fill their positions in 2006-2007. A total of 2138 majors were listed (not including teacher education), covering more than 115 different academic programs. Even though a variety of majors were sought the heaviest concentration was in professional degree programs in Business, Engineering, Computer Science, and Nursing. Some employers seek majors from groups of majors or will consider any candidate regardless of academic preparation. After three years of active recruiting for students of any major, the numbers fell off noticeably this year.

	<u>N</u>	<u>%</u>
All Majors	79	4
All Business Majors	127	6
All Liberal Arts Majors	49	2
All Technical majors	25	1

**Specific Majors Receiving Attention Included:**

	<u>n</u>	<u>%</u>
Accounting	136	6
Marketing	106	5
Finance	103	5
Business Administration	99	5
Electrical Engineering	70	3
Mechanical Engineering	69	3
Civil Engineering	58	3
Computer Science	58	3
Nursing	50	2
Logistics	45	2
Management	47	2
Communications	43	2
Computer Engineering	44	2
Engineering Technology	43	2
Computer Information Systems	43	2

**Other majors that might be of interest (all individually represent 1% to 2% of total majors listed):**

	<u>n</u>
Human Resource	30
Social Work/Human Services	29
Engineering Technicians	40
Industrial Engineering	35
Psychology	25
Environmental Sciences	24
Chemistry	22
Construction Management	28

**APPENDIX 3**  
**LABOR MARKET OVERVIEW**

---

**Table 3-1. Job Market Prospects for College Graduates 2006-2007:  
Impressions of College Labor Market Reported by all Respondents (%)**

	<b>Mean</b>	<b>Very good to Excellent</b>	<b>Good</b>	<b>Fair to Poor</b>
Overall market	3.29	38	45	17
Industrial sector	3.45	47	36	17
Regional markets				
Northeast	3.31	46	33	21
Mid-Atlantic	3.36	47	36	17
Southeast	3.44	39	35	26
Great Lakes	3.13	37	38	25
Upper Plains	3.12	52	31	17
South-central	3.31	44	37	19
Southwest	3.52	52	35	13
Northwest	3.33	45	36	19

1-2 = Poor to Fair, 3 = Good, 4-5 = Very good to Excellent

**Table 3-2. Impressions of College Labor Market by Industrial Sector  
Across Recruiting Areas for 2006-2007 (percentages)**

Sector/Mean		Overall	Industry	NE	M-A	G L	UP	SE	SC	SW	NW
<b>*Agric.</b>											
3.43	Good	a	33	33	--	--	25	33	50	33	25
	VG – Excell.	67	50	--	--	50	50		25	33	25
<b>*Mining/Oil</b>											
5.00	Good	--	--	nr	nr	nr	nr	nr	nr	nr	nr
	VG – Excell.	100	100	nr	nr	nr	nr	nr	nr	nr	nr
<b>*Utilities</b>											
3.5	Good	67	50	--	--	100	nr	--	--	--	nr
	VG – Excell.	33	38	50	50	--	nr	50	--	--	nr
<b>Construction</b>											
3.73	Good	40	25	25	25	--	50	33	33	25	20
	VG – Excell.	50	68	50	50	50	--	33	33	50	60
<b>Manuf.</b>											
3.21	Good	45	34	40	45	42	39	34	43	46	45
	VG – Excell.	37	38	33	37	20	24	42	33	34	28
<b>Wholes.</b>											
3.56	Good	50	44	20	33	20	25	25	50	50	33
	VG – Excell.	50	44	80	67	60	50	75	50	50	67
<b>Retail</b>											
3.88	Good	42	22	31	42	13	40	33	22	36	37
	VG – Excell.	42	70	36	41	47	40	44	78	55	63
<b>Trans.</b>											
3.33	Good	54	46	--	--	--	29	25	37	43	29
	VG – Excell.	31	36	67	71	71	29	63	50	43	43
<b>Inform.</b>											
3.14	Good	38	38	36	42	64	54	45	50	58	42
	VG – Excell.	43	38	50	50	18	27	36	20	25	50
<b>Fin/Insurance</b>											
3.70	Good	47	33	30	45	43	65	59	73	45	50
	VG – Excell.	40	55	48	38	46	29	41	27	55	36
<b>Real Estate /Rental</b>											
3.69	Good	57	28	67	25	50	100	33	33	25	50
	VG – Excell.	43	67	--	75	50	--	67	67	75	50
<b>Prof. Serv.</b>											
	Good	46	44	23	32	23	34	14	22	24	24
	VG – Excell.	39	42	61	60	57	55	75	69	69	65
nr = not reported											

Sector/Mean		Overall	Yr.	NE	M-A	G L	UP	SE	SC	SW	NW
<b>Admin. Services</b>											
3.60	Good	34	27	27	15	35	18	17	23	17	20
	VG – Excell.	41	52	55	69	35	45	67	39	59	50
<b>Ed. Srvs.</b>											
3.38	Good	26	34	64	57	27	33	45	33	30	44
	VG – Excell.	53	45	27	33	46	45	55	56	70	55
<b>Health</b>											
	Good	56	34	56	37	36	37	33	27	50	27
	VG – Excell.	39	58	44	63	55	50	56	57	50	57
<b>*Arts</b>											
2.40	Good	50	40	nr	nr	nr`	nr	nr	nr	nr	nr
	VG – Excell.	--	--	--	--	--	--	--	--	--	--
<b>Accomm</b>											
3.63	Good	62	44	40	50	40	37	30	33	37	37
	VG – Excell.	19	56	60	50	50	50	60	57	50	50
<b>Civic Non-Pro.</b>											
2.50	Good	50	30	--	--	25	--	--	--	--	--
	VG – Excell.	17	10	--	--	--	--	--	--	--	--
<b>Govern.</b>											
3.10	Good	29	26	9	12	15	10	18	25	--	14
	VG – Excell.	33	52	45	50	46	40	46	37	80	57

\*Very small samples in these categories: included for completeness.



**Table 3-3. Job Prospects for College Graduates 2005-2006 by Company Size (%)**

	<b>Mean</b>	<b>Very Good to Excellent</b>	<b>Good</b>	<b>Fair to Poor</b>
Overall market				
<60	3.02	20	62	18
61-349	3.12	31	44	25
350-3,687	3.31	40	45	15
>3,688	3.46	49	38	13
Industrial sector				
<60	3.13	30	44	26
61-349	3.45	41	42	17
350-3,687	3.57	54	33	13
>3,688	3.69	63	24	13

1-2 = Poor to Fair, 3 = Good, 4-5 = Very good to Excellent

**Table 3-4. Job Prospects for College Graduates 2005-2006 by Region/Company Size (%)**

<b>Location</b>	<b>Rating</b>	<b>&lt;60</b>	<b>61-350</b>	<b>351-3,687</b>	<b>&gt;3,688</b>
Northeast	Fair-Poor	27	15	24	21
	Good	46	49	37	23
	VG – Excellent	27	36	39	56
Mid-Atlantic	Fair-Poor	21	6	17	21
	Good	43	53	39	25
	VG – Excellent	37	41	44	54
Great Lakes	Fair-Poor	29	26	25	27
	Good	52	38	35	28
	VG – Excellent	19	36	40	45
Upper Plains	Fair-Poor	30	21	27	26
	Good	50	46	37	34
	VG – Excellent	20	33	36	40
Southeast	Fair-Poor	25	15	19	17
	Good	25	33	35	27
	VG – Excellent	50	52	46	56
South-central	Fair-Poor	36	14	21	17
	Good	18	43	42	34
	VG – Excellent	46	43	37	49
Southwest	Fair-Poor	20	7	14	13
	Good	33	45	38	29
	VG – Excellent	47	48	48	58
Northwest	Fair-Poor	22	19	17	20
	Good	22	44	38	32
	VG – Excellent	56	37	45	48

**APPENDIX 4  
HIRING INTENTIONS**

**Table 4-1. Hiring Intentions by Economic and Manufacturing Sectors (%)**

	<b>Definitely</b>	<b>Preliminary</b>	<b>Uncertain</b>	<b>Not</b>
Agriculture	63	12	25	--
Oil/Mining	100	--	--	--
Utilities	63	12	25	--
Construction	36	21	43	--
Manufacturing	57	19	31	5
Wholesale	89	--	11	--
Retail	62	14	21	3
Transportation	54	8	38	--
Information	42	26	26	6
Finance/Insurance	64	19	15	2
Real Estate/Rental	58	21	16	5
Professional services	48	23	25	4
Administrative services	49	28	16	7
Education	54	22	23	1
Health	68	16	12	3
Arts	40	--	40	20
Accommodations	50	37	12	-
Non profit/Civic organizations	38	14	38	9
Public	52	18	22	7

**Table 4-2. Hiring Intentions by Recruiting Areas (%)**

<b>Location</b>	<b>Definite</b>	<b>Preliminary</b>	<b>Uncertain</b>	<b>None</b>
International	70	16	13	1
Entire U.S.	62	19	16	4
Regions				
Northeast	64	17	14	4
Mid-Atlantic	63	14	23	-
Southeast	57	16	22	4
Great Lakes	48	22	27	3
Upper Plains	56	23	15	5
South-central	62	22	14	2
Southwest	51	20	23	6
Northwest	54	26	18	2

**Table 4-3. Hiring Intentions by Company Size (%)**

<b>Size</b>	<b>Definite</b>	<b>Preliminary</b>	<b>Uncertain</b>	<b>None</b>
<60	37	24	32	7
61-350	46	23	27	4
351-3,687	59	21	21	-
>3,688	68	14	14	4

**APPENDIX 5  
DIRECTION**

**Table 5-1. Percentage of Employers Decreasing, Increasing, and Hiring  
at the Same Level Compared to Last Year (%)**

	<b>All Graduates</b>	<b>Associates</b>	<b>Bachelors</b>	<b>MBAs</b>	<b>Masters</b>	<b>PhD</b>	<b>Prof.</b>
<b>For those definitely hiring</b>							
Decreasing	38	41	32	37	33	42	43
Same level	16	27	24	22	29	25	35
Increasing	47	33	44	40	38	33	22
<b>Preliminary hiring targets</b>							
Decreasing	37	29	41	42	39	41	42
Same level	17	25	25	13	24	18	17
Increasing	46	46	34	45	37	41	42
<b>Uncertain hiring</b>							
Decreasing	52	51	50	47	60	67	67
Same level	18	12	24	15	16	17	0
Increasing	30	37	26	38	24	17	13

**Table 5-2. Historical Comparison for Total Hire and Bachelor's Degrees (%)**

<b>Total hiring</b>	<b>1998- 99</b>	<b>1999- 00</b>	<b>2000- 01</b>	<b>2001- 02</b>	<b>2002- 03</b>	<b>2003- 04</b>	<b>2004- 05</b>	<b>2005- 06</b>	<b>2006- 07</b>
Decreasing	24	18	16	44	45	40	28	32	42
Same level	24	21	26	24	17	21	22	23	16
Increasing	53	61	58	32	38	39	50	45	42
<b>Bachelors hiring</b>									
Decreasing	27	20	14	39	43	38	27	29	39
Same level	53	19	27	26	20	24	24	27	24
Increasing	50	61	59	35	37	38	49	44	39

**Table 5-3. Percentage of Companies by Recruiting Area Decreasing, Increasing, and Hiring at the Same Level, Total Hires and Bachelor's Level (%)**

	Increasing		Same		Decreasing	
	Total %	BA/BS %	Total %	BA/BS %	Total %	BA/BS %
International	44	38	19	25	37	37
Entire U.S.	42	38	13	22	44	40
Regions						
Northeast	42	37	17	29	40	34
Mid-Atlantic	45	41	13	20	42	39
Southeast	41	38	17	18	42	43
Great Lakes	37	34	18	25	45	42
Upper Plains	33	33	30	35	37	32
South-central	50	47	14	26	36	27
Southwest	43	33	19	25	38	41
Northwest	42	38	13	30	45	32

**Table 5-4. Percentage of Companies by Sector Decreasing, Increasing and Hiring at the Same Level, Total Hires and Bachelor's Level (%)**

	Increasing		Same		Decreasing	
	Total %	BA/BS %	Total %	BA/BS %	Total %	BA/BS %
Agriculture	25	29	38	29	37	42
Oil/energy	100	100	--	--	--	--
Real Estate/Rental	53	44	26	28	21	28
Construction	23	23	8	8	69	69
Manufacturing	39	40	19	30	42	30
Wholesale	25	43	62	43	13	14
Retail	43	23	22	32	35	45
Transportation	75	67	8	17	17	17
Information	59	54	7	25	33	21
Finance/Insurance	52	52	13	16	35	32
Utilities	50	50	33	33	17	17
Prof. Services	38	29	17	28	46	43
Admin. Services	58	44	16	22	26	33
Health	25	28	10	17	64	55
Accommodation	60	53	13	27	27	20
Entertainment/Arts	50	25	25	25	25	50
Non-Profit/Civic	42	33	--	6	58	61
Public Agencies	29	41	17	23	41	54
Education Services	32	33	13	17	55	50

**Table 5-5. Company Hiring Direction Compared to Last Year – Same, Increase, Decrease  
by Company Size (%)**

<b>Size</b>	<b>All</b>	<b>Assoc</b>	<b>Bachelor</b>	<b>MBA</b>	<b>Master</b>	<b>PhD</b>	<b>Prof.</b>
<b>&lt;60</b>							
Decreasing	37	22	33	35	37	33	38
Same	18	12	30	22	27	13	23
Increasing	47	67	36	43	37	53	39
<b>61-350</b>							
Decreasing	49	54	44	44	42	40	50
Same	14	23	22	20	22	20	20
Increasing	37	23	34	36	35	40	30
<b>351-3,687</b>							
Decreasing	49	43	48	44	41	35	40
Same	15	30	19	30	28	29	47
Increasing	36	27	33	27	31	35	13
<b>&gt;3,687</b>							
Decreasing	39	40	33	41	39	56	50
Same	17	24	23	19	25	25	19
Increasing	44	36	43	40	36	19	31

**APPENDIX 6  
ACTUAL HIRING**

**Table 6-1. Hiring Changes Between 2005-06 and 2006-07 for:  
Those Definitely Expecting to Hire in 2006 Academic Year,  
Those with Preliminary Plans for 2007,  
And  
Those Who are Uncertain About Hiring for 2007**

<b>All Responses</b>	<b>n</b>	<b>2005-06 Average Hired</b>	<b>n</b>	<b>2006-07 Average Expected Hires</b>	<b>Percent Change</b>
<b>Those Definitely Expecting to Hire in 2006 Academic Year</b>					
All graduates	373	99.41	393	107.3	+8
Associates	132	37.6	131	41.9	+11
Bachelors	364	72.7	363	76.6	+5
MBAs	143	7.1	106	8.1	+14
Masters	143	31.0	144	32.2	+4
PhD	54	4.3	56	38	-11
Professional	43	5.4	38	6.2	+15
<b>Those with Preliminary Plans for 2005-2006</b>					
All graduates	139	18.2	140	17.1	-6
Associates	58	10.1	58	6.4	-37
Bachelors	132	9.4	133	9.2	-2
MBAs	33	9.2	33	12.0	+30
Masters	47	5.7	47	6.1	+7
PhD	18	3.2	17	3.4	+6
Professional	14	5.7	14	3.4	-40
<b>Those Who Are Uncertain About Hiring for 2005-2006</b>					
All graduates	165	10.9	165	7.1	-35
Associates	51	10.2	51	6.5	-36
Bachelors	154	5.7	155	4.3	-25
MBAs	36	3.9	36	1.8	-54
Masters	46	2.9	46	1.3	-55
PhD	12	5.2	12	3.6	-88
Professional	7	6.4	7	4.4	-31

**TABLE 6-2. Hiring Changes Based on Direction (Decrease, Increase)  
Compared to Previous Year**

<b>Increasing</b>	<b>2005-2006 n</b>	<b>Average Hires</b>	<b>2006-2007 Average Hires</b>	<b>% Change</b>
Total	281	50.4	71.2	+43
Associates	106	31.6	39.8	+30
Bachelors	266	34.6	48.1	+39
MBAs	82	6.5	19.1	>100
Masters	96	9.7	13.1	+35
PhD	28	2.6	3.3	+27
Professional	29	2.6	4.3	+65
<b>Decreasing</b>				
Total	285	56.7	42.1	-26
Associates	99	15.4	8.4	-45
Bachelors	276	36.4	27.1	-26
MBAs	71	5.7	4.4	-23
Masters	109	33.3	60.6	-8
PhD	44	3.7	2.6	-24
Professional	27	14.6	4.4	-97



**TABLE 6-3. Hiring Changes Based on Company Size  
Compared to Previous Year**

	2005-2006		2006-2007	
<60	n	%	%	% Change
Total	190	4.8	6.1	+25
Associates	51	1.7	3.1	>20
Bachelors	178	3.5	4.3	20
MBAs	48	1.8	1.7	-7
Masters	60	1.6	1.9	20
PhD	15	.7	1.2	>20
Professional	15	.8	.9	8
61-350				
Total	152	15.1	14.9	-1
Associates	65	4.1	2.6	>-20
Bachelors	147	10.1	11.66	15
MBAs	26	2.2	2.3	3
Masters	56	4.4	2.5	>-20
PhD	15	2.4	2.2	-8
Professional	12	Not reported	1.20	Not reported
351-3,687				
Total	160	40.4	41.3	2
Associates	72	17.2	15.5	10
Bachelors	157	28.0	29.9	7
MBAs	38	4.4	4.9	13
Masters	60	7.8	8.4	8
PhD	18	3.3	3.9	18
Professional	16	8.6	7.3	-15
>3,588				
Total	178	176.1	185.9	5
Associates	53	82.5	89.3	8
Bachelors	171	127.6	130.6	2
MBAs	63	12.3	13.8	12
Masters	61	65.9	68.8	14
PhD	35	4.9	3.9	-21
Professional	20	9.1	10.2	5

**TABLE 6-4. Hiring Changes by Recruiting Region**

	<b>n</b>	<b>Average Hired 2006-07</b>	<b>Average Hired 2006-07</b>	<b>% Change</b>
<b>International</b>				
Total	77	231.3	232.8	No change
Associates	27	33.3	31.8	-4
Bachelors	75	175.5	175.6	No change
MBAs	37	11.4	12.9	+13
Masters	36	86.8	92.7	+7
<b>Entire U.S.</b>				
Total	208	120.9	117.5	-3
Associates	54	22.3	19.0	-37
Bachelors	201	93.0	94.1	1
MBAs	63	10.6	9.7	-8
Masters	84	48.2	47.8	-1
<b>Northeast</b>				
Total	83	161.2	191.8	+19
Associates	28	98.6	117.4	+19
Bachelors	80	96.5	107.6	+11
MBAs	30	7.5	8.1	8
Masters	38	73.3	79.3	8
<b>Mid-Atlantic</b>				
Total	87	153.3	185.3	21
Associates	32	84.7	102.8	21
Bachelors	86	88.6	99.9	13
MBAs	25	7.6	7.7	1
Masters	33	83.8	93.0	11
<b>Great Lakes</b>				
Total	209	75.0	85.4	13
Associates	69	46.8	50.5	8
Bachelors	201	44.7	49.3	10
MBAs	47	5.7	5.6	-2
Masters	76	39.5	41.7	5
<b>Southeast</b>				
Total	85	181.4	210.3	+16
Associates	32	98.8	112.3	+14
Bachelors	79	111.4	115.8	+4
MBAs	27	16.3	21.2	+30
Masters	30	98.3	108.7	+11

	N	Average Hired 2006-07	Average Hired 2006-07	% Change
<b>South-central</b>				
Total	65	210.6	255.5	+21
Associates	31	90.5	111.6	+23
Bachelors	64	116.4	133.3	+14
MBAs	17	25.6	30.2	+18
Masters	25	117.2	132.6	+13
<b>Southwest</b>				
Total	80	94.1	92.4	-2
Associates	34	14.5	11.6	-20
Bachelors	77	51.0	51.0	No change
MBAs	27	10.3	9.2	-11
Masters	35	78.1	83.6	+7
<b>Northwest</b>				
Total	41	145.5	145.7	No change
Associates	15	6.3	5.3	-2
Bachelors	40	78.2	80.3	2
MBAs	15	9.5	10.8	14
Masters	17	151.2	166.5	10
<b>Upper Plains</b>				
Total	43	311.5	384.7	23
Associates	18	154.3	183.7	19
Bachelors	42	180.8	204.7	13
MBAs	10	18.2	22.2	22
Masters	13	214.2	247.4	15

**Table 6-6. Anticipated Hiring by Industrial Sector**

	<b>Average Hires 2005-06</b>	<b>Average Hires 2006-07</b>	<b>% Change</b>
<b>Agriculture</b>			
Total	10.4	10.3	-1
<b>Oil &amp; Mining</b>			
Total	45.7	71.7	+57
BA	30.7	38.7	+87
<b>Utilities</b>			
Total	45.5	47.2	+4
BA	41.2	42.2	+2
<b>Construction</b>			
BA	3.9	2.3	-41
<b>Manufacturing</b>			
Total	40.5	38.0	-6
BA	30.5	30.3	-1
MBA	10.1	10.2	+1
MS	13.1	11.1	-15
<b>Wholesale</b>			
Total	166	18.3	+10
<b>Retail</b>			
Total	15.6	17.5	+12
BA	11.7	13.6	+7
<b>Transportation</b>			
Total	14.7	25.1	+70
BA	10.2	20.2	>70
<b>Information Services</b>			
Total	57.6	48.7	-15
BA	18.2	15.4	-34
<b>Finance/Insurance</b>			
Total	33.9	42.1	+24
BA	27.8	35.0	+26
<b>Real Estate/Rental</b>			
Total	424.6	426.7	No change
BA	415.9	416.4	No change

<b>Professional &amp; Scientific Services</b>	<b>Average Hires 2005-06</b>	<b>Average Hires 2006-07</b>	<b>% Change</b>
Total	45.5	46.0	+1
BA	27.3	27.5	+1
MBA	4.7	4.5	-4
MS	40.6	41.6	+2.5
<b>Administrative Services</b>			
Total	216.8	263.8	+22
BA	145.7	161.4	+11
<b>Education (not K-12)</b>			
Total	71.7	50.0	-30
BA	65.6	39.7	-
<b>Health Services</b>			
Total	53.3	52.0	-2
BA	25.4	27.6	+9
<b>Arts</b>			
Total	4.5	8.5	>50
<b>Accommodation Services</b>			
Total	51.9	60.6	+17
BA	43.0	50.5	+17
<b>Civic/Non-Profit</b>			
Total	5.2	6.8	+30
BA	3.8	4.6	+31
<b>Public Agencies</b>			
Total	24.0	17.8	-25
BA	13.3	15.6	+17

## APPENDIX 7

### TOTAL PACKAGE

**THE ENTIRE PACKAGE:** What do employers want to see when they begin evaluating college candidates for employment? The entire package! Extracted from responses to the question, “What are the five most important skills or competencies that a candidate needs to possess in order to be considered for employment?” The “total package” that candidates should possess includes these skills:

**The Total Package:** Candidates need to be academically prepared in their discipline as it pertains to their employment – this is considered a given by employers. Plus,

1. Communication skills (228 comments) that demonstrate solid verbal, written, and listening abilities. The capstone is presentation skills that include the ability to respond to questions and serious critique of the presentation material.
2. Computer/technical aptitudes (124 comments) based on the level required for the position being filled. Computer ability is now perceived as a given core skill; right up there with reading, writing, and mathematics. The ability levels (expectations) for computer knowledge and application continue to rise.
3. Leadership (82 comments) – the ability to take charge or relinquish control (followership) according to the needs of the organization; closely aligned with possessing management abilities.
4. Teamwork (70 comments) – working cooperatively and collaboratively with different people while maintaining autonomous control over some assignments.
5. Interpersonal abilities (80 comments) that allow a person to relate to others, inspire others to participate, or mitigate conflict between co-workers.
6. Personal traits. The shape of the above competencies are molded by a combination of personal traits, specifically demonstrate initiative and motivation; flexible/adaptable to handle change and ambiguity; hard-working (work ethic) and reliability; honesty and integrity; and ability to plan and organize multiple tasks. Emerging as a key personal trait is an individual’s ability to provide “customer service” – anticipating customer needs and the demeanor to respond positively to customer concerns.

**The Wrapping:** Several skills or experiences bind the package and are essential to holding it together. Without these skills, a candidate may not be able to deliver the package.

1. Critical thinking/problem solving – the ability to identify problems and their solutions by integrating information from a variety of sources and effectively weigh alternatives.
2. Intelligence and common sense.
3. Willingness to learn quickly and continuously.
4. Work related experiences that provided an understanding of the workplace and served to apply classroom learning.

This list should be no surprise to anyone – these skills and competencies have been bantered about since the new economy began to emerge in the late 1980’s. Why this section needs our attention is the context in which many employers expressed their qualifications. Because the economy is moving so quickly, candidates must enter their position already demonstrating their command of these competencies. There is neither time nor the luxury of training a highly qualified academic candidate in these skills. Employers demand that the “total package” be delivered at graduation.

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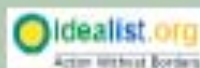
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