

RECRUITING TRENDS

2016-17

46th Edition



BRIEF 7

Benchmarking Recruiting Success

Key findings from 2016-17 are presented in this research brief. We have broken the release of employer information into a series of short briefs that will be made available over the next six weeks. You can download the briefs from the [Collegiate Employment Research Institute](#).

Meet the Completers

We generated this convenience sample from employers currently seeking college talent through their interactions with college and university career services offices. Nearly 200 career service centers from around the country invited their employers to participate in this study. Approximately 4,350 employers provided information useful for understanding recruiting trends and practices. We will use information provided by those recruiting talent for full-time positions, internships, and co-ops for these research briefs. Readers can use the following key sample characteristics to determine how applicable our survey results are for their campus employer base.

Company Size		
Very small	> 9 employees	9%
Fast-growth	10-100 employees	30%
Small	101–500 employees	23%
Midsize	501–3,999 employees	20%
Large	4,000–25,000 employees	10%
Very large	> 25,000 employees	8%

Active Recruiting by Region	
International	5%
Entire U.S.	25%
Regional recruiting only	69%

Role in College Recruiting	
Full-time positions	71%
Internship or co-op positions only	12%
Short-term hiring	7%
Experienced hiring	10%

Key States	
Massachusetts	10%
Michigan	9%
Arizona, California, Florida, Ohio & Texas	6%

Institutions Where Companies Recruit Talent	
Two-year public college	28%
Four-year public college	53%
Four-year private college	40%
Two- & four-year for-profit institution	22%
Institution with bachelor's & advanced degree programs	69%
Institution with advanced degrees only	10%
Historically black college & university	17%
Hispanic-serving institution	15%
Asian, Asian-Pacific serving institutions	14%

Key Economic Sectors	
Professional, business & scientific services	22%
Manufacturing	13%
Educational services	10%
Finance & insurance	8%
Government	7%
Healthcare & social assistance	7%
Nonprofits	7%

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We extend special appreciation to several people whose special insights contribute to CERI's research activities: Jeff Beavers (CEO 3sevenPartners), Duncan Ferguson (Managing Director, Vantage Leadership Consulting), and James Spohrer (Director of University Programs Worldwide [and numerous other titles], IBM Almaden Research Center).



Organizations use a variety of measures to assess their recruiting programs. Some are common among organizations of almost every size, and some are tailored to the needs of specific organizations.

A few years ago, a group of college-relations managers approached CERI for help in obtaining benchmarks to assess their college recruiting programs. We agreed on several measures and tested them during the subsequent *Recruiting Trends* surveys. Based on the survey results, we revised the benchmarks and requested feedback from a wider pool of survey respondents, including recruiting managers.

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

Key benchmarks

For recruiting full-time positions between July 2015 and June 2016, respondents reported the following averages for key benchmarks:

- ◆ Thirty-nine percent of professional hires were the direct result of college recruiting.
- ◆ Thirty-three percent of new college hires were former interns or co-ops.
- ◆ Sixty-five percent of full-time offers were accepted.

- ◆ Seventy-one percent of internship and co-op offers were accepted.
- ◆ Forty-four percent of interns and co-ops with bachelor's degrees were converted to full-time employment.
- ◆ Fifty-one percent of starting salary offers were comparable to other organizations within an industry sector.
- ◆ Five percent of full-time offers accepted were later reneged.

Recruiting program assessment

Respondents reported the following measurements for their recruiting programs:

- ◆ Only 37 percent of respondents reported that they regularly assess their recruiting programs, compared to 41 percent last year.
- ◆ Very small companies (<100 employees) were least likely to assess recruiting programs (17%). Many of these companies do not have a designated recruiter that justifies evaluating efforts.
- ◆ At the other end, nearly 62 percent of very large companies (>10,000 employees) regularly assessed their recruiting programs, down from 75 percent last year.
- ◆ Industry sectors less likely to evaluate their hiring strategies included organizations in agriculture, healthcare and social services, information services, nonprofits, and wholesale trade. Construction (44%), finance and insurance (56%), professional, business, and scientific services (40%) and transportation (42%) organizations were more likely to evaluate theirs.

Staffing for college recruiting

It may surprise many observers, but college recruiting staffs are generally small. On average the typical recruiting staff consists of 3.5 persons. Some companies have no dedicated staff to do their recruiting; some very large organizations have 250 staff or more.

- ◆ Companies with fewer than 100 employees reported that 50 percent do not have designated FTEs for on-campus recruiting. Those that do average about one person (47% have 3 or fewer).

Recruiting Program Assessment	
	Organizations with assessment plans (%)
All Size Groups	37
<100 employees	17
101-1,500 employees	38
1,501-10,000 employees	60
>10,000 employees	62
Selected Industry Sector	
Agriculture	17
Construction	44
Educational services	32
Finance & insurance	56
Government	36
Healthcare & social services	23
Information services	29
Manufacturing	35
Nonprofits	19
Professional, business & scientific services	40
Retail trade	33
Transportation	42

Benchmarks for Recruiting Programs							
	Acceptance of internship and co-op offers (%)	Conversion rate of interns and co-ops to full-time employment (%)	New hires			Starting salary rating (avg.)	Reneging rate (avg.)
			Full-time offer acceptance rate (%)	Former interns & co-ops (%)	Professional hires as a result of college recruiting (%)		
All Size Groups	71	44	65	33	39	2.9	4.6
<100 employees	68	39	64	35	41	2.9	3.7
101-1,500 employees	74	46	66	31	35	2.9	4.6
1,501-10,000 employees	71	46	64	35	41	3	4.9
>10,000 employees	71	46	67	34	42	2.9	6.1
Selected Industry Sector							
Accommodations (hospitality)	65	49	56	35	24	2.8	6.2
Agriculture	68	44	59	36	26	3.2	4.5
Construction	73	53	65	52	40	3	3.4
Educational services	58	39	61	18	40	3	4.8
Finance & insurance	75	46	65	33	40	3.2	6.3
Government	69	34	65	22	38	2.6	5.6
Healthcare & social services	71	41	59	36	33	2.9	5
Information services	70	43	65	34	39	2.6	3.2
Manufacturing	75	45	71	41	35	2.9	3.8
Nonprofits	64	26	62	29	30	2.6	5.6
Professional, business & scientific services	77	51	70	37	48	2.9	3.8
Retail	61	37	66	37	36	3.3	5.5
Transportation	71	52	51	21	31	3	6.5

- ◆ As company size increases, staff numbers increase. Small and midsize companies (100-1,500 employees) have an average of 1 designated FTE; only 30 percent of employers in this group do not have designated staff. Companies with 1,500 to 10,000 have an average of 3.5 recruiting staff; companies with more than 10,000 employees have an average of 7 recruiting staff.

How do employers manage so many events and interact with so many students? They receive support from regular staff employed throughout the company, pulling staff from functional areas (finance, production, research, sales, etc.) to cover career fairs, information events, and interviewing.

- ◆ Companies use an average of 18 regular staff in their college recruiting programs.
- ◆ Less than 1 percent (usually very small companies) report that they use no additional staff in recruiting.
- ◆ Ten percent use 40 to 500 additional organizational staff members.
- ◆ Very small companies average 2.5 individuals from their companies; very large companies, 46.

Connections between employers and higher education

To assemble the talent they need, college recruiters may visit multiple campuses. On average the number of college campuses an organization has represented in their college sourcing and recruiting activities is 23, but the median is 10 (50% visit 10 or fewer campuses).

Although every responding organization visited at least one campus, some organizations visited several hundred. With this many schools in play for some recruiting staff, recruiters

may focus on a smaller group where they can develop deep and continual relationships. On average, organizations have about nine core schools; however, the median is five. To sustain deep relationships the number of core schools has to be kept manageable and works out to less than half of the schools they are sourcing for talent. Even organizations that source talent from several hundred campuses maintain close relationships with less than one-third of their total pool.

Selection of core schools

We found that some companies use very elaborate metrics to determine which schools are in their core. Others have a more casual approach. Over the summer several companies provided us the metrics that they use to select schools. We met with several small groups of these employers to discuss their metrics. From these sources we generated a list of 23 possible characteristics or factors that could influence which schools the companies included in their core group. We then asked respondents to select all the factors their organizations used for selecting their core schools.

Companies often have several key variables that they focus on in selecting core schools. Several factors, however, seemed to be more universal among all respondents:

- ◆ Proximity to the organization's offices or facilities
- ◆ Job-relevant coursework offerings
- ◆ Conventional wisdom of recruiting staff and organizational leaders.
- ◆ Mobility of students confined to the region where the companies recruited (more likely to stay in the region where the student went to college).

Four additional characteristics stood out:

- ◆ Student access to experiential learning opportunities (internships, co-ops, work-related employment).
- ◆ Students completion of internships and co-ops or possession of relevant experience.
- ◆ Rankings of engineering and computer science programs
- ◆ Rankings of business programs

The metrics employers were least likely to use were:

- ◆ SAT, ACT, and GPA rankings of the freshman class.
- ◆ Admission selectivity or application acceptance rates.
- ◆ Faculty having non-academic work experiences.

How does the selection of core schools differ by organization size? We examined the metrics very large companies (>10,000 employees) and small companies (<500 employees) use to select their core schools.

Slightly more than 86 percent of very large companies chose eight metrics that clustered close together. The top metric chosen was proximity to company's facilities or offices of the recruiting staff. Companies chose four major criteria:

- ◆ Ranking of business and engineering programs
- ◆ Mobility of students (those were highly mobile and willing to stay in a specific region)
- ◆ Diversity of students for ethnicity, gender, and disability
- ◆ Job-relevant course work

Another cluster of metrics ranked below this grouping: conventional wisdom, experiential learning opportunities, and employer brand recognition.

Small companies employed a more limited array of metrics:

- ◆ More than 90 percent of respondents chose two clear metrics: proximity to company's facilities or offices of recruiting staff to core schools and job-relevant coursework offered at core schools.
- ◆ Another 80-85 percent of small companies selected conventional wisdom, student regional mobility, experiential learning opportunities, and the percentage of students who had completed internships and co-ops.
- ◆ Rankings and diversity considerations were less important; slightly fewer than 80 percent used these metrics.

Conversion to full-time employees

While few organizations that employ interns or co-ops reported converting none or all of their interns, the distribution of conversion rates suggested that some organizations do very well.

- ◆ The top quartile converted more than 75 percent of their interns and co-ops.
- ◆ Some organizations fared poorly: the bottom quartile reported conversion rates of less than 15 percent.
- ◆ Very small organizations (<100 employees) reported an average conversion rate of 39 percent, compared to larger organizations at 46 percent.
- ◆ Construction; professional, business, and scientific services; and transportation reported the conversion rates above 50 percent.
- ◆ Arts and entertainment, government, nonprofits, and utilities reported the lowest conversion rates (25-40%).

Full-time offers accepted

While the average for full-time offers accepted was 65 percent, the reported median was 75 percent. Only 3 percent of organizations reported that none of their offers were accepted. About 15 percent of organizations received acceptances from all the candidates to whom they extended offers. The top 25 percent of organizations obtained acceptance rates of 90 percent or more; the bottom 25 percent had acceptance rates lower than 50 percent.

Organizational size comparisons yielded only small differences and very comparable means and medians. The largest organizations had 67 percent acceptance rates, while all other sized organizations had approximately 65 percent.

Industry sector comparisons yielded similar results:

- ◆ Manufacturing; professional, business, and scientific services; and wholesale trade reported the highest overall acceptance rates, an average of 70 percent and higher.
- ◆ Sectors with low acceptance rates included accommodations (hospitality) and transportation.

Professional hires from college recruiting

Only 5 percent of employers reported that none of their hires last year were the result of college recruiting; whereas 10 percent said 90 percent of all their hires came directly from college recruiting. While the mean or average was 39 percent, the median was 30 percent. About 25 percent of respondents reported that 61 percent or more of their hires were the direct result of college hiring; another 25 percent indicated that less than 10 percent of their professional hires could be attributed to new college hires.

Organizational size and industry sector comparisons yielded similar results:

- ◆ Small to midsize organizations (101-1,500 employees) directly sourced only 35 percent of their professional hires from college recruiting, compared to 41 percent of both larger and smaller organizations.
- ◆ Accommodations (hospitality); agriculture and natural resources; nonprofits; and transportation pulled fewer of their professional hires from college recruiting.
- ◆ Professional, business, and scientific services reported 50 percent of all professional hires came from college recruiting.

New hires of former interns and co-ops

The top and bottom quartiles strongly shaped this measurement. Fourteen percent reported none of their hires came from their intern and co-op pool. Eight percent reported 90-100 percent of their hires were former interns and co-ops. In the top quartile interns and co-ops made up 50 percent or more of new college hires but less than 5 percent in the lower quartile.

- ◆ Organizational size does influence small organizations (101-1,500 employees). About 28 percent reported fewer interns in their hiring pool. The very large organizations (37%) reported more of their new hires came directly from their intern and co-op pool.
- ◆ Sectors with a low percentage of new hires who were former interns include educational services, government, and transportation. (Educational services is low because K-12 schools rarely hire their student teachers.)
- ◆ Construction and manufacturing have the highest percentage of interns and co-ops among their total hires (40-50%).

Starting salaries

Slightly more organizations believed their starting salary offers would not be as competitive this year, compared to last year. Yet the majority believed they were at least competitive or actually make higher starting salary offers than their peer organizations.

- ◆ Midsize to large organizations (1,500-10,000 employees) felt that their starting salary offers were slightly higher than other organizations in their sectors.
- ◆ Very large organizations (>10,000 employees) and small organizations (<1,500 employees) felt they were at a very slight salary disadvantage from organizations of similar size.
- ◆ Government, information services, and nonprofits believed their starting salaries were lower than those paid by organizations typically competing for the same talent.
- ◆ Agriculture and natural resources, construction, educational services, finance and insurance, and retail trade believed their starting salaries were as competitive as or higher than similar organizations.

Retention rates during years 1 and 3 of employment

Retention rates for years 1 and 3 of employment yielded a variety of results. Retention at the end of the first year of employment averaged 78 percent, but the median was 80 percent. The top quartile reported retention rates higher than 95 percent; sixteen percent retained all their hires. The bottom quartile retained 67 percent or less of their new hires; the lowest 10 percent retained 40 percent or less. While most companies experience a turnover of about 20 percent during the first year, some companies are having difficulty keeping their new hires.

- ◆ No differences in first year retention were found across organizations based on size.
- ◆ Sectors reporting the highest first year retention (above 75 percent) were construction, government, information services, professional, business, and scientific services, manufacturing, and wholesale trade.
- ◆ Sectors with lowest first year retention rates (approximately 65%) were accommodations (hospitality), agriculture, nonprofits, and retail trade.

The third year retention rate averaged approximately 60 percent across all companies. The median was 70 percent. The top quartile retained more than 80 percent at the end of the third year; while the lowest quartile retained less than 50 percent. Two percent reported not being able to retain any new hires into the third year; 6 percent claimed that they retained 100 percent. Only 10 percent of employers retained 90 percent or more of their hires for three years.

- ◆ Midsize companies had the highest third year retention rate (66%); very small organizations had only a 59 percent retention rate.
- ◆ The highest third year retention rates were found in construction, government, and manufacturing.

- ◆ The lowest third year retention rates were reported in accommodation (hospitality), information services, and nonprofits.

Retention rates for interns and co-ops

Our assumption that organizations would retain interns and co-ops converted to full-time employment at a higher level than other new hires did not bear out. Overall, interns and co-ops were retained at the same level as all new hires (62%). However, the top quartile retained more than 90 percent of their interns and co-ops at the end of three years, compared to 40 percent or less for the bottom quartile. Eleven percent retained 100 percent of their interns and co-ops.

Intern and co-op retention varied by company size and industry sector:

- ◆ Very small companies retained 56 percent of their interns and co-ops at the end of year three
- ◆ Large and very large companies retained nearly 70 percent of theirs.
- ◆ Employers from construction retained 75 percent of their interns and co-ops; manufacturing, 68 percent. These two sectors reported the highest retention rates.
- ◆ Healthcare and social assistance, information services, nonprofits, and transportation retained about 50 percent (fewer in some companies) of interns and co-ops.

Reneging rates

Thirty-two percent of organizations reported that they had no renegees on offers last year. However, 3 percent of organizations reported that 25 percent of their offers were renegees. While the average is approximately 5 percent (rounded), the median is only 2 percent. The majority of organizations reported little if any renegees, but 20 percent reported renegees of 8 percent or higher.

- ◆ The smallest organizations reported the lowest renegees rates of 3.7 percent; the largest organizations slightly exceeded 6 percent.
- ◆ Accommodation (hospitality), finance and insurance, government, retail trade, and transportation reported the highest renegees rates.
- ◆ Construction; information services; manufacturing; professional, business, and scientific services; and wholesale trade and reported the lowest levels of renegees.

Benchmarking refinements and adjustments

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

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

Retention Benchmarks at Year 1 and Year 3 for Recruiting Programs			
	Average retention rate at the end of first year of employment (%)	Average retention rate at the end of the third year of employment (%)	Average retention rate at the end of the third year for interns and co-ops who converted to full-time employment (%)
All size groups	76	62	62
<100 employees	75	59	56
101-1,500 employees	75	63	62
1,501-10,000 employees	78	66	69
>10,000 employees	76	62	67
Selected industry sector			
Accommodations (hospitality)	64	48	55
Agriculture	68	62	63
Construction	80	68	75
Educational services	73	64	65
Finance & insurance	69	60	58
Government	77	66	67
Healthcare & social services	69	52	53
Information services	76	54	52
Manufacturing	84	69	68
Nonprofits	64	45	40
Professional, business & scientific services	82	63	64
Retail trade	65	55	57
Transportation	69	50	52
Wholesale trade	75	66	62