

Campus Recruitment

Introduction

Economic and demographic trends continue to affect the job market and how employers develop and manage their campus recruitment programs. In a competitive environment, maintaining campus relations is crucial to the success of campus recruiting. To do this, companies must build relationships with faculty, administrators, career center staff, and students.

Campus recruiting is becoming more competitive. Winning companies will have a strong product offering and be able to adapt their recruitment practices to the needs of new college graduates of Generation Y.

Along with on-campus recruiting tools, such as career fairs and interviews, employers can also work experimental education programs into their college recruitment efforts. These include internships and co-op programs. Employers have long since rated these as some of the most effective college recruitment methods.

This report includes ideas about how to conduct a successful campus recruitment and relations campaign, how to select the right campus, benefits of hiring new graduates, and how to build your brand. The report also describes current campus recruiting trends and challenges in campus recruiting.

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Effective Campus Recruitment Programs

The Recruitment Process

The campus placement office usually coordinates the recruitment process. The recruitment season typically extends from mid-October to mid-March. However, because of increased competition, campus recruiting is becoming a year-round activity.

Campus Selection

One of the first steps in developing a campus recruitment program is to select the right campus with which to build a relationship. According to the National Association of Colleges and Employers (NACE), employers should target only campuses that “produce both the type of students that best fit into its corporate culture and the number of students it needs to achieve its hiring goals.” Although there is no set formula for determining which campuses to visit, campuses can be rated by several objective factors. According to Julie Cunningham, president of The Cunningham Group, these include:

Curriculum/ranking – Is the school accredited: Is the curriculum relevant to the needs of your organization?

Location – Will the distance to campus justify the time and money it takes to recruit there? Will the distance create relocation and retention issues?

Demographics – Does the overall enrollment and percentages of woman and minority candidates meet the company’s recruiting needs?

Graduation dates – When will candidates be available for work?

Career services/faculty/student organizations – Are the services the company needs available through the career center? Is the faculty accessible and interested in career opportunities for their students? Can the company collaborate with the school’s student organizations?

Competitive environment – Are the student’s expectations in line with what the organization can offer?

Potential recruiters/team leaders – Does the company have enough alumni to create a recruiting team?

Internal opinion of the school – What is the general opinion of the school within the company? Would the school be accepted as part of the campus recruiting program?

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Ten On-Target Recruiting Tips (Source: WetFeet Inc.)

1. Focus on schools that most closely fit company needs, not just prestigious schools.
2. Arrive early. By April of senior year, most top candidates are taken.
3. Network with student clubs and organizations.
4. Nail the campus info session.
5. Define what you offer, including downsides, for good job fit.
6. Send enthusiastic and informed recruiters.
7. Take time for personal touches such as e-mail, calls, and thank yous.
8. Follow up on promises.
9. Make people feel wanted.
10. Provide a great work experience, especially in internships. People will hear about it.

The Effective Campus Recruiter

The recruiter is a very important element in the recruiting process and should be selected and trained carefully. This person is the one who represents the company and reflects the company's culture and image to students and faculty. They should also be able to relate to and communicate well with college-level students. According to a survey of students by WetFeet Inc., a San Francisco-based recruitment research and consulting firm, the best campus recruiters were firms that sincerely communicated their interest and sponsored such events as one-on-one coffee chats and a "day on the job," simulating some aspect of the company's actual work environment.

Cost of Campus Recruitment

Campus recruitment can be costly. Costs are largely dependent upon how many students a company needs to hire. Companies should evaluate whether the cost-per-hire is economical. If a company is spending up to two-thirds of its recruitment budget on students they do not hire, the recruitment program should be re-evaluated.

According to a recent NACE survey, the average overall budget for campus relations and recruiting was \$386,634. Responses from survey participants ranged from \$1,000 to \$4,000,000. The same survey showed that the average cost-per-hire was \$5,417. Cost-per-hire figures ranged from \$87 to \$43,000. Costs can vary immensely from one company to another, because there is no universal formula being used by all employers.

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Establishing a Presence on Campus

On-campus recruiting continues to be the number one method for reaching new college graduates. Progressive and consistent on-campus marketing to students and faculty is the key to long-term success. An employer with a strong image has a distinct advantage over companies that do not have strong ties. A college's on-campus career center is valuable because it helps link students and employers in many ways. For more than ten years, students have ranked the career center as the "most helpful" resource in the job search.

Aside from establishing good relations with the campus career center, employers can take advantage of campus career fairs, campus information sessions, and on-campus interviewing. Career fairs and information sessions give students a chance to ask questions and develop/strengthen campus ties. Along with the use of their company website, these methods can be used as effective branding tools.

Employers expect to spend more time on campus this year trying to win over new college graduates, according to NACE's *Job Outlook 2006*. In fact, more than half of respondents (53.7%) report "firm plans" to recruit on campus in Spring 2006. Also, a strong 22.8 percent have "tentative plans" to do so. In comparison, only 42.2 percent of employers had firm plans to recruit on campus in the spring.

Benefits of Hiring College Students

Benefit	Percent of Respondents
Gives us the opportunity to mold future leaders of our organization	90.7%
New college graduates are enthusiastic and motivated	89.1%
New college graduates provide fresh ideas	79.8%
New college graduates have cutting-edge computers skills	47.2%
Easier to identify a diverse applicant pool at the college level	41.5%
Easier to fill positions because students are centrally located	22.2%
New college graduates will accept lower salaries than college graduates who have several years of experience	19.4%

(Source: NACE's *Job Outlook*)

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Campus Recruiting Trends

This portion of the report provides an overview of two recent campus recruitment studies. The National Association of Colleges and Employers (NACE) *Job Outlook 2006* is an annual forecast of hiring intentions of employers for new college graduates. The latest survey covers employers' hiring intentions for the college class of 2005-06. Michigan State University's *Recruiting Trends 2005-2006* studied the hiring plans of almost 900 employers in several industries for 2005-2006 new college graduates.

According to the NACE, employers predict they will hire 14.5% more new college graduates in 2005-2006 than they did in 2004-2005. This marks the third year in a row in which the job outlook for new college graduates has been positive. In fact, it is also the third consecutive year in which the increase in campus hiring has hit double digits.

Although employers from all industries report positive hiring plans, employers from the service industry plan to hire more graduates than any other industry. They expect to hire 21.6 percent more new college graduates in 2005-2006 than in the previous school year.

The Michigan State University (MSU) study also forecasts an increase in the hiring of new college graduates. Hiring is projected to increase by 6% to 14%, depending on if certain geographic sectors are excluded. This year's growth follows a robust 20% increase in hiring since last year. The hiring picture is vulnerable, however, to shifting factors stemming from differences between certain industrial sectors, among regions of the country, and in company size.

Positive & Negative Influences on this Year's Hiring Levels

- Positive factors
- Shortage of workers due to retirements
- Enthusiasm over improved economy
- Increasing competition for graduates in technical fields

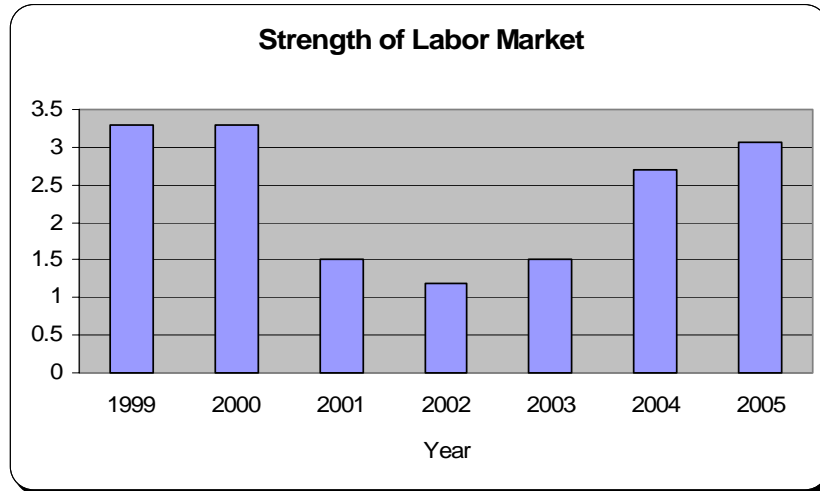
- **Negative factors:**
- Globalization creating jobs abroad and depriving U.S. job market
- Uncertainty after the impact of hurricanes hitting the Gulf Coast
- Higher cost of doing business (increase in energy and health care costs)
- Cautiousness about the long-term job climate

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Perceptions of the College Labor Market

Overall Outlook for Campus Hiring

It seems the college labor market has finally emerged from the low point experienced in 2002. According to the MSU study, the condition of the national labor market was reported a solid “good” by all respondents. In fact, nearly 25% designated a rating of “very good” to “excellent.” The college labor market was considered “good” by 53% of respondents. These are levels not seen since 2000. Employers rated the condition of the college labor market on a scale from “poor” to “excellent.”



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

Regional Labor Markets

Across regional labor markets, the hiring picture was not as bright, with ratings lowered to “good” or the 3.0 range. Regions with the highest ratings of 3.2 were the Southeast and Southwest, followed by a cluster there between 3.08 and 3.16. The Northeast and Northwest are also enjoying especially strong labor markets, at 3.15 and 3.16, respectively. Just below the “good” level was the Midwest region, comprised of the Great Lakes, 2.93, and Upper Plains, 2.82. These two areas were surprisingly upbeat despite problems in the manufacturing sector.

Industry Job Market

Most sectors were positive about this year’s labor market, the MSU study found. On average, industrial sector labor markets rated their own sectors an average of 3.34, where 41% said markets were “very good” to “excellent” and 40% “good.” Construction, government, health services, education, and transportation indicated that hiring prospects for the college labor market were “very good” to “excellent.” Another group of sectors that were clustered just below the “very good” to “excellent” category included retail; finance, insurance and real estate; professional and scientific services; and non-profit organizations. Sectors not so optimistic about hiring included: manufacturing, wholesale, information services, administrative services, and accommodation.

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The Manufacturing Sector

According to NACE's *Job Outlook 2006*, manufacturing employers expect to hire 8.2 percent more new college graduates in 2005-2006. The top five undergraduate majors targeted by manufacturing employers are mechanical engineering, electrical engineering, accounting, chemical engineering, and business administration/management. New college graduates will also see an increase in salary offers. About seven out of ten manufacturing respondents say they will increase their starting salary offers to new college graduates. The average expected increase is 3.5 percent.

Spring Recruiting Outlook (by percent respondents)

Firms in place	44.0%
Tentative plans in place	23.0%
All recruiting to be done in Fall 2005	18.0%
Unsure of their plans	13.0%
Not hiring, no plans for spring recruiting	2.0%

The Service Sector

Service employers are projecting the biggest increase in college hiring, according to *Job Outlook 2006*. Employers in this sector expect to hire 21.6 percent more new college graduates in 2005-2006. Also, they are more likely than employers in manufacturing and government/nonprofit sectors to have "firm plans" to recruit on campus in Spring 2006. Along with the increase in hiring comes an increase in salary offers. Nearly three-quarters of service sector employers (72.9 percent) say they plan to increase their starting salary offers. The average expected increase is 3.8 percent.

Spring Recruiting Outlook (by percent respondents)

Firms in place	62.2%
Tentative plans in place	20.2%
All recruiting to be done in Fall 2005	10.1%
Unsure of their plans	6.7%
Not hiring, no plans for spring recruiting	0.8%

Hiring Trends

This year, the MSU survey found that total hiring for all new college graduates will increase 6%. Companies have indicated that they will hire 28,701 college graduates during 2005-2006, compared to 27,728 actual hires in 2004-2005. Bachelor's hiring is forecast to increase by 5%, while master's hiring will increase by 13%. Hiring of MBAs is expected to drop by 10%, offsetting the positive growth opportunities reported last year. The following information is based on a comparison of the number hired during 2004-2005 to the number of expected college hires during the 2005-2006 academic year.

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Hiring Trends by Industrial Sector

- 🎓 Hiring in the manufacturing industry is down 12%, except for chemicals, medical devices, and some electronics firms.
- 🎓 In the construction industry, down 17%, hiring is dependent on location. Firms in hot housing markets are expanding employment, while others in slower growth regions anticipate a further slowdown.
- 🎓 With shortages in nursing and in some technical support, hiring in health services is up 5%.
- 🎓 Retail hiring still remains positive, up 19%, while wholesale sector companies, although guardedly optimistic, will increase hiring by 12%.
- 🎓 Overall hiring in the information industry is down 2%.
- 🎓 With accounting still hot, professional and scientific services is up 3%. Consulting and scientific services are being cautious.

Hiring Trends by Academic Major

- 🎓 For employers seeking engineering majors, hiring is down 8%.
- 🎓 The hiring of business majors is expected to see no change.
- 🎓 Hiring of computer science majors is down 3%.
- 🎓 The hiring situation for health science majors is up 10%.
- 🎓 Hiring for construction and agricultural majors with a bachelor's degree is down 10%.
- 🎓 Total hiring for communications majors is down 20%.

Characteristics looked for in potential hires:

- | | |
|-------------------------|-----------------------------|
| 1. Communication skills | 6. Flexibility/Adaptability |
| 2. Honesty/Integrity | 7. Interpersonal skills |
| 3. Teamwork skills | 8. Motivation/Initiative |
| 4. Strong work ethic | 9. Computer skills |
| 5. Analytical skills | 10. Detail-oriented |

The MSU study asked employers to cite additional skills beyond the importance of communication, leadership, teamwork, and computers skills. Employers focused in on skills such as analytical thinking, personal attributes, time management, and adaptability. Employers in the MSU study were also asked if they desired candidates to bring to the workplace any new, emerging competencies. Geographic awareness and a global understanding or perspective was cited several times. Having employees with these characteristics will be critical to a company's growth as businesses become more global.

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Recruiting Methods to Reach College Graduates

This year, employers rated on-campus recruiting as the most effective method for recruiting new college graduates, according to the NACE survey. In the previous year, both on-campus recruiting and internship programs were tied for the top spot. Employers, however, are not expecting big changes in their on campus visits. In fact, respondents projected only a 5.9 percent increase in campus visits overall. This means that each respondent is only adding one more campus to their roster.

Respondents to the NACE's *Job Outlook 2006* survey rated the effectiveness of current recruiting methods. The top five methods are considered "high touch." These methods tend to require a greater investment of resources than many high tech methods. This is a good sign that employers are serious about their campus recruiting goals. Here is the list below:

Effectiveness of Recruiting Methods

• On-campus recruiting	4.4
• Organization's internship program	4.3
• Employee referrals	4.1
• Organization's co-op program	3.9
• Career/job fairs	3.8
• Faculty contacts	3.7
• Internet job postings (campus website)	3.7
• Internet job postings (own company website)	3.6
• Student organizations/clubs	3.5
• Internet job postings (commercial career website)	3.4
• Job postings to career offices	3.2
• Request resumes from career offices (print)	3.2
• Internet resume data bases	2.9
• Recruitment advertising (print)	2.6
• Newspaper advertising (campus and/or local newspapers)	2.5
• Career/job fairs (virtual)	2.4
• Internet banners	2.3
• Video interviewing	2.0

(5-point scale, where 1 = not at all effective and 5 = extremely effective)

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Respondents of the Michigan State University (MSU) survey were asked to identify their top three recruiting strategies used in recruiting new college graduates. All strategies from the list below appeared in the top three:

Primary Strategy	Number	Percent
On-campus recruiting	516	59
Job fairs	513	59
Organization's Web/Internet posting	623	71
Referrals by current employees	667	76
Co-op internship program	438	50
Ads in papers, professional journals	491	56
Job listing service (Web)	642	74
Resume referrals (campus)	520	59
Local Internet boards	448	51
External staffing prof./consultants	183	21

Starting Salary Projections

Starting salaries for new college graduates are expected to increase by 2% this year, according to the MSU survey. For bachelor's degreed graduates, starting salaries will range from \$38,600 to \$44,800. It is noted that this range is strongly influenced by employers seeking business and engineering majors. Salaries may be higher for those outside technical or professional fields. Salary predictions vary by company size, location, industry, and academic major.

Companies responding to the NACE survey expect to raise starting salary offers by 3.7 percent on average, the same projection the previous year. About 75% of respondents said they plan to raise starting salary offers to those graduating with bachelor's degrees.

According to the Winter 2006 issue of NACE's *Salary Survey*, "average starting salary offers to the college Class of 2006 provide further evidence of an overall positive job market." The table below reflects offers to bachelor's degree candidates:

Discipline	% Change*	Average Offer
Accounting	6.2	\$45,723
Economics/Finance	11.0	\$45,191
Business Administration/Management	3.9	\$39,850
Communications	2.8	\$31,111
Marketing	-3.4	\$36,260
Computer Science	-2.0	\$50,046
Chemical Engineering	4.2	\$55,900
Civil Engineering	4.3	\$44,999
Electrical Engineering	3.5	\$52,899
Psychology	8.1	\$30,958

*Percent Change In \$ Offers From January 2005

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Signing Bonuses

At the same time, most employers are not planning to offer signing bonuses this year. According to NACE's *Job Outlook 2006*, less than 44% of respondents are planning to offer signing bonuses in 2006. For companies that do plan to sweeten the pot, signing bonuses will only be offered to a select few.

Major	Average Bonus (Projected)	Number of Respondents
M.B.A.	\$6,100	5
Accounting	\$2,479	12
Business Administration/Mgmt	\$2,750	6
Computer Science	\$3,188	8
Civil Engineering	\$1,679	7
Electrical Engineering	\$2,625	8
Mechanical Engineering	\$3,900	5

(NACE *Job Outlook 2006*)

Top Trends and Issues for Employers

Most of the top issues and trends focus on a company's ability to compete for candidates. Key concerns for employers are branding and integrating college recruitment and retention into overall work force planning. These are findings from NACE's *The Future of College Recruiting and Hiring*. The survey gathered opinions and perceptions related to current trends and future issues within career services and college recruiting professions. Other top-rated issues for employers were focusing on diversity when recruiting and hiring, identifying talent through programs such as internships and co-ops, and interacting with faculty to reach college recruiting goals. Other issues were included: measuring results of a college relations and recruitment program and strengthening the campus relations/recruitment function within the organization.

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Challenges in Campus Recruiting

Competition is heating up this year. This is the most competitive campus recruiting season since 2000-2001, according to WetFeet Inc. In fact, employers responding to the NACE *Job Outlook 2006* survey also said competition is the number-one challenge they face in hiring new college graduates in 2005-2006. Competition is expected to be focused on students with degrees in business, engineering, and computer-related fields. This competitive environment makes it critical for companies to sell themselves as an employer of choice.

Finding the right candidate for the positions is another big challenge employers say they face in 2005-2006. Positions that require stringent qualifications are more difficult to fill. For example, some positions require a specific skill set, while others require that a candidate has completed specific coursework.

Attracting students to specific locations and industries is another challenge of concern. Some employers have the ever more difficult task of attracting candidates to locations (rural areas and areas with a high cost of living, for example) or industries that are seen as less desirable.

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