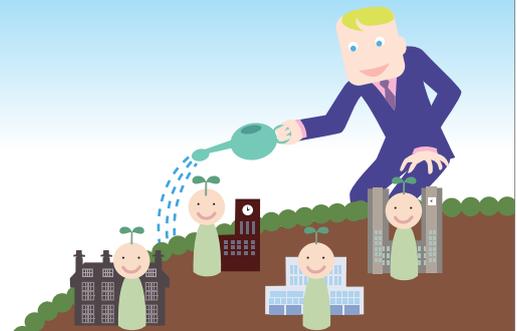


Internships in the United States are a Direct Pathway to Fulltime Employment



Many of the internships in the United States today are used by employers as a means to select fulltime employees, and by students to find a fulltime employment. In Japan in contrast, Keidanren (the Japan Business Federation)’s guidelines discourage employers from using internships as part of the official recruiting process. Adhering to these guidelines, the purpose of Japanese corporations offering internships is to mainly “promote the understanding of the profession and industry” and “contribute to the community by providing students a work experience” ¹. In this article, we will look at some of the characteristics of US internships in comparison to Japan.

Over 90% of Employers Offer Internships. Most Interns are Juniors. Common Duration is 6 to 12 Weeks.

Recruit Works Institute recently conducted a survey with recruiting leaders from US companies, in collaboration with a recruitment consulting company, CareerXroads. According to this “2015 Internships USA” survey ², 51.2% of employers have both internships and co-op programs, and 39.0% offer internships only. That is, over 90% of employers offer internships. This number is significantly higher than the findings from a report “White Paper on New Graduates Employment 2015: Internship Edition” released by Recruit Career New-Grad Market Research Laboratory,

Do you have formal programs to hire interns and/or co-ops?

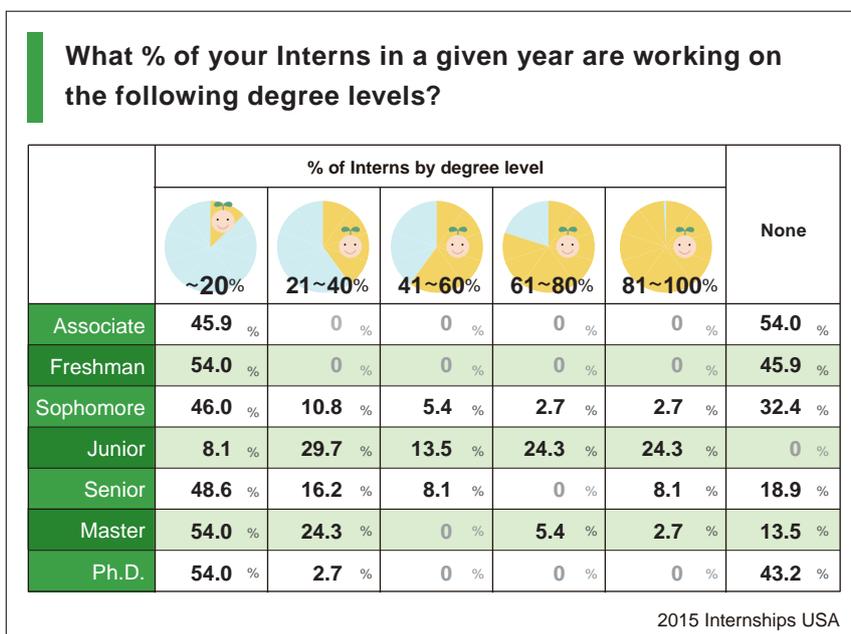
Answer Choices	Response Rate
Both Internships and Co-ops	51.2 %
Internships Only	39.0 %
Co-ops Only	0.0 %
Neither	9.8 %
Total	100 %

2015 Internships USA

which found that 58.3% of Japanese employers planned to offer internships in 2015.

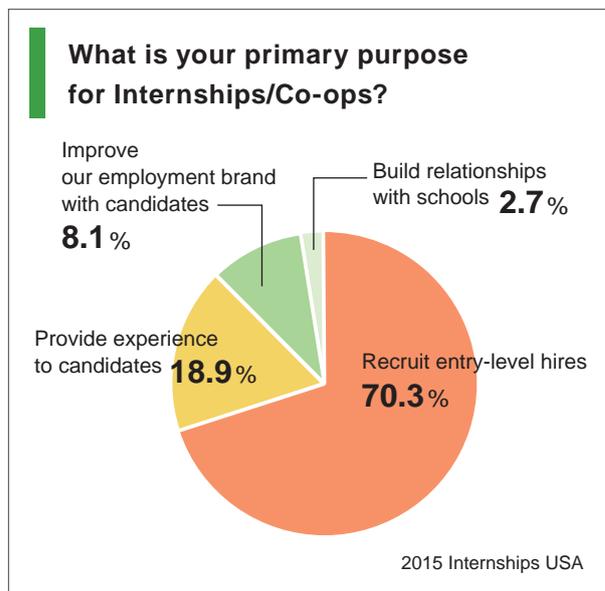
Co-ops, which are less known in Japan, are similar to internships in a way that provide opportunities for students to apply knowledge gained in the classroom to a practical work experience. However, while internships are led by employers with a purpose to acquire talents, co-ops are led by schools with cooperation from employers, as a form of experiential learning.

According to the “2015 Internships USA” survey, the most common degree level of interns is, as in Japan, college junior. The duration of internship is, although it varies by program, mostly between six and twelve weeks³. This is considerably longer than those in Japan, which typically last between a day and two weeks⁴. US internships are longer because they are supposed to be a “test run” for both employers and students. For employers to be able to assess intern’s skills and aptitude, they need ample time to monitor the performance on the tasks that the student would work on if hired for a fulltime position. Likewise, for students to be able to experience the reality of the profession and the workplace, and to decide whether the organization is right for them, they need a good amount of time.



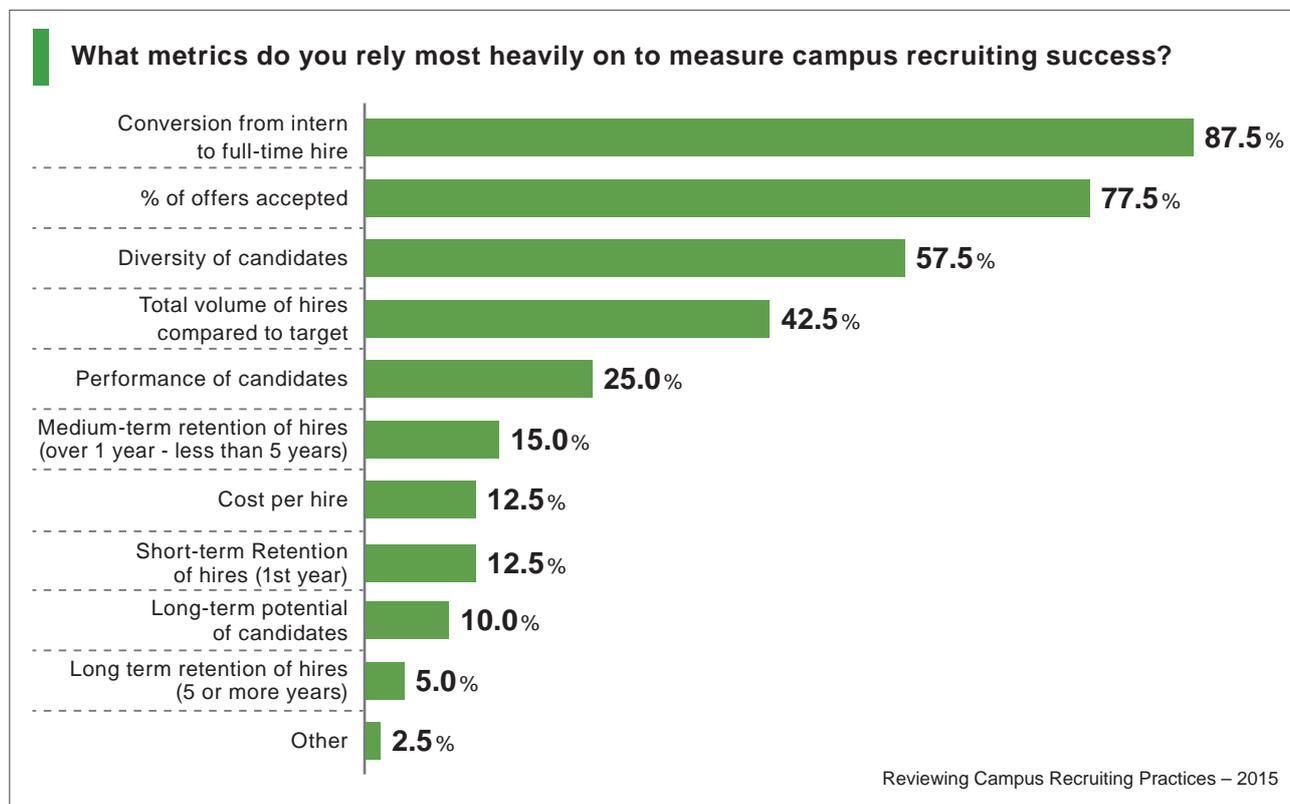
Over 70% of Employers Aims to Convert Interns into Fulltime Employees

The latest research findings published by NACE (National Association of Colleges and Employers) in April 2015 ⁵ show that over 70% of participating employers holds internships to recruit fulltime employees among interns. In “2015 Internships USA” also, 70.3% of employers responded that the purpose of having an internship program is to “recruit entry-level hires”. It is apparent that internships at US companies are a direct pipeline to employment.



Approximately Half of Interns are Converted into Fulltime Employees

Success of an internship program is measured by the conversion rate to fulltime employment. The latest report by NACE indicates that the average rate of students with an internship experience turning into full time employees (regardless of where the internship took place) is 51.7%. For the employer’s former interns it’s almost 81%. As the purpose of offering internships is to recruit entry level hires, the number of new graduates recruited from the internship program tells whether the program is successful. The results from “Reviewing Campus Recruiting Practices – 2015” survey by CareerXroads ⁶ are consistent with NACE’s findings, as the conversion rate from intern to fulltime hire is the most important component for employers to measure the success of their campus recruiting program.



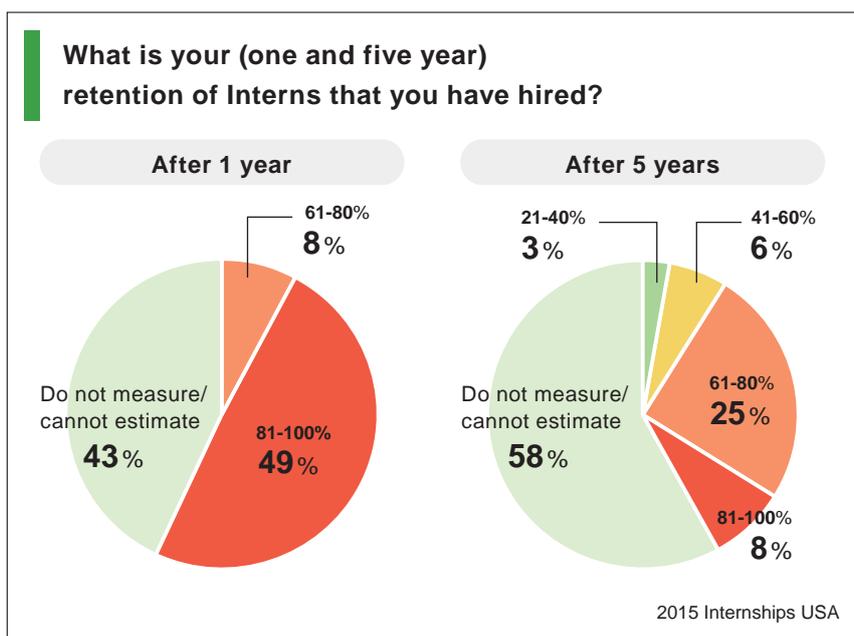
One of the reasons behind the high conversion rate may be that organizations select and hire students as interns who meet the requirements for permanent positions. Many employers target specific schools for intern recruitment, which are selected based on criteria such as the past offer acceptance rate and school rankings. Students with relevant majors at these target schools are prioritized when recruiting interns.

Former Interns Stay with the Company Longer

According to the Internship Survey by NACE, the retention rate of employees who are former interns is at 83% after the first year, and 53% after 5 years. “This is quite high, especially with this generation of new hires. For them, moving from one organization to another and getting more experience is an optimum thing to do for themselves”, says Marilyn Mackes, Executive Director at NACE.

Similarly, in the “2015 Internships USA” survey, among the employers who measure the retention rate,

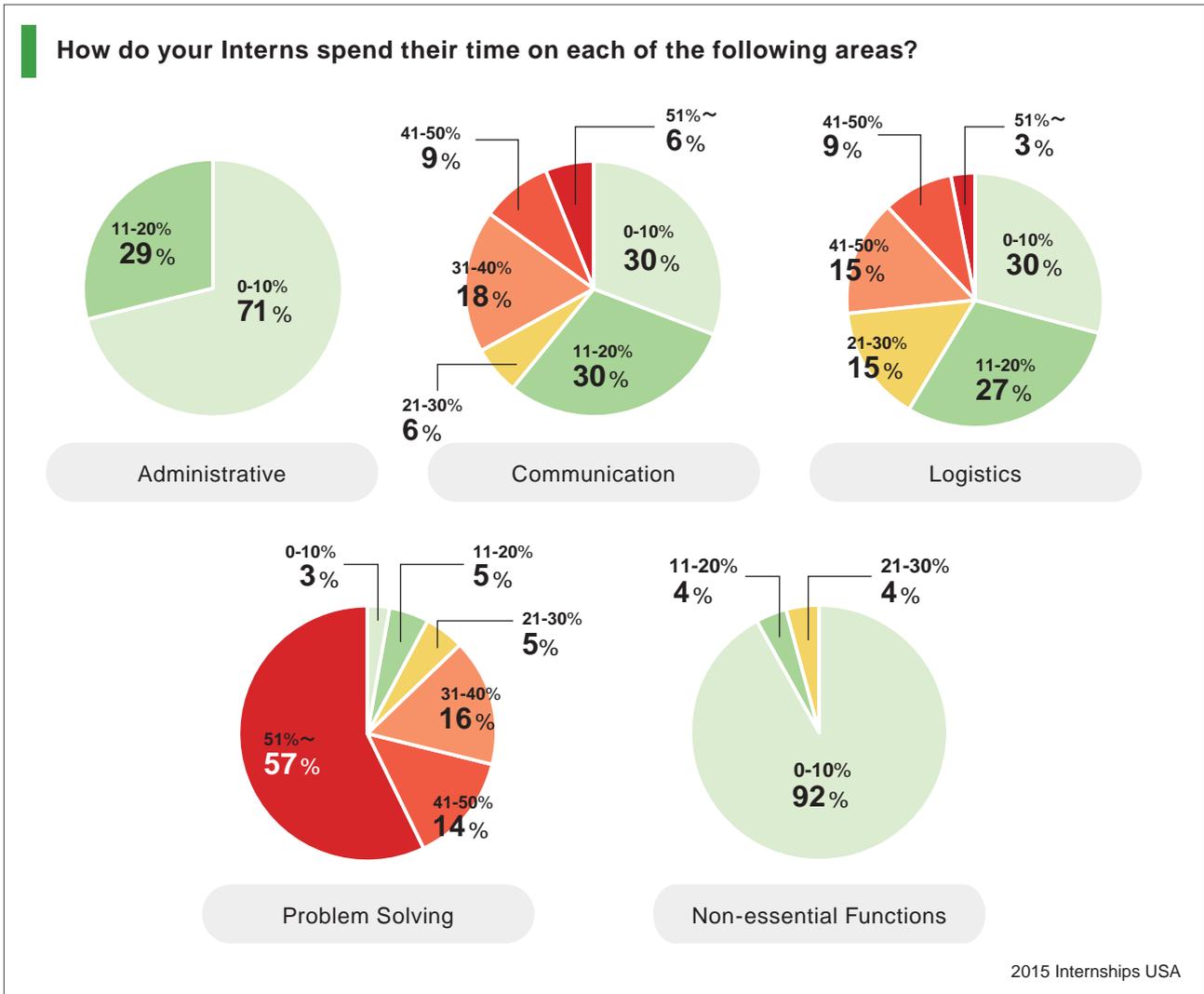
the most common response was “81-100%” after one year (48.6%), and “61-80%” after 5 years (25.0%). The fact that interns spend a number of weeks with the organization and experience the job at first hand before joining on a full time basis may be a reason for high retention rate among former interns.



Students Rank “Potential for Employment” as the Top Reason to Participate in an Internship

In another survey conducted by NACE, according to Ms. Mackes, the most common reason for students to participate in an internship is the potential for employment. “What students want the most from an internship is an opportunity for personal growth. They look for an opportunity to develop a portfolio of knowledge and skills that enable them to improve in their professional careers. If students are given non-essential activities that do not prepare students for the job or enhance their abilities, they might conclude that this employer is not serious about recruiting,” Ms. Mackes points out.

Findings from the “2015 Internships USA” survey suggest that employers are trying to meet students’ expectations. 56.8% of the employers responded that problem solving tasks make up more than 50% of interns’ time. Time spent on administrative and non-essential tasks is considerably little.



For instance, Ms. Marie Artim, the Vice President of Talent Acquisition at the world’s largest rental car company, Enterprise Holdings, mentioned that “interns are given the same responsibilities as graduates starting their career in our management training program. After the ten- to twelve-week internship, ideally interns can complete the first stage and be ahead of their peers who did not participate in the internship, if they decide to join our organization on a fulltime basis.”



Employers in the United States enjoy the liberty of planning and designing an internship program

that work for them. There are no rules or regulations regarding new graduate hiring, allowing them to try out creative ideas. In this web serial, we plan to introduce some innovative cases exercised by US corporations as well as internships in other countries.

■ NACE (National Association of Colleges and Employers)

Established in 1956. Members composed of more than 6,300 college career services professionals at nearly 2,000 colleges and universities nationwide, more than 2,700 university relations and recruiting professionals, and the business affiliates that serve this community.

NACE is the leading source of information on the employment of the college educated: forecasts hiring and trends in the job market; tracks starting salaries, recruiting and hiring practices, and student attitudes and outcomes; and identifies best practices and benchmarks.

Marilyn Mackes Executive Director at NACE



After acting as the executive director at a university career services, she joined NACE in 1997. Ms. Mackes now oversees NACE's business administration, strategic alliance development, volunteer and staff training/development, and media relations. Her specialties include training and consultation related to career development and staffing, higher education and sourcing issues, technology impact on career development and hiring, and global workforce issues.

This column has been posted to the website of Recruit Works Institute.

Footnote:

1. 4. "White Paper on New Graduates Employment 2015: Internship Edition" by Recruit Career New-Grad Market Research Laboratory.
<http://data.recruiteer.co.jp/research/2015/04/2015-c238.html>
2. "2015 Internships USA" by Recruit Works Institute. [Survey Period] March 26, 2015 – April 13, 2015 [Method] Internet [Respondents] US corporations with 5,000-100,000 or more employees [Number of respondents] 41 companies
3. Based on the internship duration of the top 50 companies in the "Best Overall Internships" ranking (2015) by Vault.com.
<http://www.vault.com/internship-rankings/top-10-internships/>
5. "2015 Internship & Co-op Survey" by NACE
6. "Reviewing Campus Recruiting Practices – 2015" by CareerXroads. [Survey Period] January 15, 2015 – February 11, 2015 [Method] Internet [Respondents] US corporations with 10,000-100,000 employees [Number of respondents] 40 companies