Internships programs have been around for decades and have provided students with valuable work experience and skills. These experiences and skills have often benefited their sponsor, but frequently have benefited some other employer -- perhaps one who invested nothing in an internship program. The National Association of Colleges and Employers (NACE) recently reported that the average employer only converts around 43% of interns to full-time employees after graduation. Looked at in another way, almost 60% of interns do not go to work for the sponsor of their internship.

With corporations investing thousands of dollars in structuring, advertising and recruiting for their internship programs -- and then spending thousands more on salaries and training -- this represents a huge loss. As the labor market improves, interns can be a significant source of talent and can save your organization recruiting time and money. But doing this requires that you clearly understand what it takes to convert an intern to a full-time employee and how to build effective and efficient programs.

These five tips will get you on the right track.

1. STRUCTURE THE PROGRAM WITH CONVERSION IN MIND.

Surprisingly, many employers do not make conversion of interns a core piece of their intern strategy. They focus on providing the students with real-life experience or with doing a service to their key colleges and universities in the hope that their benevolence will pay off in future hiring. No one tracks conversions very carefully, and often no effort is made to hire the interns after graduation.

But programs without specific hiring goals don't achieve much. While they may get some local acknowledgement for providing work to college students, they are losing a potentially great source of talent every year. I know of a company that has had interns for more than five years and has not tried to convert any. In fact, the few that have expressed interest have been discouraged from applying, because this organization focuses on hiring experienced people.

On the other hand, many organizations make the internship experience the primary entry door to new talent and provide the quality of program that encourages the best to apply.

2. MAKE THE CONVERSION PROCESS CLEAR AND SMOOTH.

There may not even be a smooth process in place for making conversions from intern to employee. One firm I was talking to requires that each intern fill out an application, go through the normal interview process, and then be hired into an open slot that could also be filled with an experienced hire. Obviously, many interns are put off by the need to apply and interview once again, and many hiring managers would rather use that position for an expert than for a rookie.

Good programs waive the application and interview process. After all, these people have filled out some sort of application for the internship and have been assessed for weeks or months as interns. These organizations have also set up some structure or process to allow interns and college hires to fill positions reserved exclusively for them.

A semiconductor firm that I am well acquainted with reserves five to fifteen positions each year, depending on the economy, for college hires and conversions. The hiring manager has to pay the salary, but the head count is carried as corporate for one year.

3. PROVIDE STUDENTS WITH REAL WORK -- AND MAKE IT EXCITING AND MEANINGFUL.

Students who have suffered through boring internships are not likely to want to work for your company. While this is obvious, a large percentage of intern programs do not actively engage the students in meaningful work.

The Gen Y students you are recruiting today want to be part of project teams and want to use their skills to help the team
accomplish its objectives. They do not want to work alone or on routine activities that, while necessary and perhaps even essential to the organization, are not developing the skills the students feel will help them in their career.

I know of a finance student who was assigned to help a department controller. This involved collecting data, building a spreadsheet or two, and sitting through some very boring financial reviews. While this is actually what a controller does, and is the kind of position the student might end up filling as a new employee, it was not challenging. It did not allow him to use the concepts he had learned in the classroom, and his manager was not a good coach.

The experience was not positive and the student went elsewhere. A little twist on assignment -- perhaps a project to look for ways to cut costs or something -- combined with a better manager, would have made this intern an easy conversion.

4. ASSESS THE INTERNS REALISTICALLY; COACH THEM WELL.

Students are used to fairly frequent feedback in the form of tests and professor comments. As a result, going into the work environment can be a strange experience, because they suddenly get no more information on how they are doing.

Most interns want feedback, especially feedback that is constructive and is combined with coaching or development. Serious interns want to be part of projects that are important to the organization and that will stretch and motivate them. They need to get feedback on how their contribution helped the project or slowed it down. They need to know where their skills need improvement and where they are strong.

Giving this kind of feedback is hard for almost all managers, but particularly hard to give to young people who are not employees. Managers of interns need to be carefully chosen and need to have skill at mentoring and teaching. Assuming that interns are just a pair of hands to help out an overworked staff is a common mistake -- and a fatal one when it comes to converting the students to full-time employment. Remember, the manger they have as an intern is the model they will carry forth for all managers.

5. SEPARATE THE POOR PERFORMERS AND MAINTAIN CONTACT WITH THE GOOD ONES.

Providing interns with a final assessment is important. If there are performance or cultural fit issues with an intern, let them know. I have talked to many interns who were very uncertain about how they were perceived and about what kind of recommendation, if any, they might get from your organization. If you do provide recommendations, let them know what the process is and how you feel about them.

On the other hand, if the performance and fit have been good, your relationship should not only continue, but grow. Email and other electronic tools can make staying in touch easy. A regular email to all past interns, a newsletter or blog, and even an occasional phone call can make a huge difference in how they feel about your organization. Let them know if you want them back again or what the process of conversion looks like and they can expect. Clear next steps, definite timelines, and objective feedback will lead to many more conversions.

I believe that if you convert fewer than 80% of your interns, you should stop and consider whether an internship program is the best approach for your organization.

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