

From the Practitioner's Corner

College Interns: An Entrepreneurial Response to a Cost-Conscious Economy

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College interns often possess information-age skills that are not familiar to workers who have been on the job for several years. Interns may be future sources for new employees. There is also the added benefit of observing and evaluating an intern for future consideration, as a full-time employee, after graduation. Giving junior employees the opportunity to supervise interns is also a way of evaluating the junior employees' potential as a supervisor. The employment of college interns should be a mutually beneficial endeavor. As with all successful endeavors, the employment of interns requires planning and supervision.

Keywords: college interns, recruiting

The employment of college interns is a cost-effective strategy that entrepreneurs are using to control expenses, implement new technologies, and fulfill their social responsibilities to the communities in which they thrive. The National Association of Colleges and Employers reports in a recent survey that nearly 90 percent of the entities with fewer than 500 employees have an internship program in place (Loten 2008).

Proactive entrepreneurs are responding to the fact that limited capital resources are available in 2009. In the first quarter of 2009, the Small Business Administration (SBA)'s 7(a) program reported that in the fiscal year ending December 31, 2008, it backed 57 percent fewer loans than the first quarter of 2008 (Maltby 2009). In addition, banks are stricter in qualifying borrowers and their access to credit lines. In October 2008, 75 percent of banks surveyed said they had tightened their lending standards (Maltby 2009). There is also a shortage of equity financing. Venture capitalists are cautious due to the global economic downturn. "Venture capitalist invested \$5.54 billion in U.S. start-ups in the fourth quarter, 27 percent less than the third quarter, according to data compiled by VentureSource" (Tam and Worthen 2009). With financial resources remaining tight for the foreseeable future, entrepreneurs need to become resourceful in employing the scarce financial resources available. Hiring college interns rather than full-time employees, at

the market rate, is a proactive strategy that is being adopted. Moreover, as national unemployment rates reach 7.2 percent, college students are responding to the weak labor market by more readily accepting intern positions, particularly if the position will help the intern secure future full-time employment.

The cost effectiveness of hiring interns can be seen when compensation is considered. The *New York Times'* salary survey (Salary.com) reports an advertising coordinator's median salary to be \$57.3K and that of a web designer to be \$82K. The cost of hiring an intern is only a fraction of the cost of a full-time employee and the commitment is only for the duration of the assignment.

The strategy of employing interns is a winning opportunity for employers, interns, and their communities. The employer has the services of an intern who is often willing to work at a cost-effective rate in exchange for an opportunity. The intern secures that all-important first job and exposure to the workplace, and the community's economic vitality is enhanced. There may also be ancillary benefits to the employer, as the *Encyclopedia of Small Business* (2007) observes, "Moreover, their fresh insights often challenge entrenched processes and attitudes that have outlived their usefulness."

In addition, the local media often airs or writes stories about internship programs because these programs are seen as socially responsible undertakings. Here the employer is the recipient of free positive publicity.

Technological Competence

While interns come to the workplace to gain experience in real-world business events, today's interns are able to bring new skills and ideas to the workplace. They are usually well versed in spreadsheet and data base management programs such as Excel and Access, respectively; Word and e-mail for everyday communications; and QuickBooks for accounting. They are familiar with writing business plans and making presentations, and have the skill to incorporate these into PowerPoint slide shows. They have the expertise to develop and update web pages. They work with current/prospective employees and introduce them to new technologies as they prepare mailing lists, promotional materials, and presentations.

College interns are products of the information age. Today's interns possess the skills to set up a digitized database that is a quick and efficient method of indexing and contacting customers. Once the database is digitized, marketing personnel can easily create and mail marketing promotions or other relevant messages. For example, when a new product or service is added, a mailing, postcard, or e-mail blast can be addressed to specific targets and sent quickly to a customer's list.

College interns are Internet savvy. They are required to use the internet while conducting academic research and these skills are readily transferable when customer or vendor searches are required. When a marketing manager is searching for prospects for a new office products line, an intern can be asked to conduct an Internet search for new or overlooked businesses. Another challenge that interns readily respond to is an Internet search to find the best prices, quality, and delivery times.

A web presence is a marketing requirement in today's electronic age. College students are often required to create web pages as part of their course requirements. Many interns can create a web page for the employer and then submit the finished product to their instructor as part of their course requirements.

Prepare to Recruit

The process of hiring interns is similar to recruiting regular employees. Employers need to be specific as to the duties to be performed, skills and qualifications necessary, hours to be worked, and whether the internship is paid or unpaid.

The recruiter or hiring supervisor is advised to prepare a job description that includes a brief description of the responsibilities; any skills or unusual requirements (e.g., competency in Word and Excel or the willingness to drive a light truck to make deliveries on occasion); work standards such policies for lateness and absenteeism; compensation arrangements (e.g., paid or unpaid, lunch allowance, commutation reimbursement); hours to be worked and job location; dress code; contracts to include confidentiality agreements and prohibitions for working for competitors; the recruiter's or supervisor's name, e-mail address and telephone number.

Also, bear in mind that college students attend classes a minimum of two days a week, and that today's students often have family responsibilities.

Employers may also want to view the intern's time in terms of a specific assignment with specific goals. If this is the case, employers need to recruit with a specific skill set in mind. For instance, if the assignment is to convert paper files to a digitally based system, the company needs to recruit an intern who is familiar with or is able to quickly learn a paper management software program.

Employers need to accurately describe the job and their

expectations, as well as any aspects of the assignment that may be disagreeable (e.g., junior employees may be occasionally asked to file, make copies, or run errands).

In addition, employers must be prepared to sell the opportunity they are offering. Well-prepared and technically competent interns are in demand. The college placement officer and faculty mentor must know what is unique about the firm. For instance, employers may want to emphasize the fact that the organization does not have a formal training program to their advantage by explaining that the intern will be immediately assigned to a project digitizing a paper file system. The intern will work under the direction of a mid-level systems analyst.

Recruiting Interns

Employers should let family and friends know that they are in the market for interns. Trimble and Butler (2004) found that largest number, 38 percent, of interns found their position through family and friends, followed by school and career services programs, 26 percent, and faculty members, 24 percent (see Figure 1).

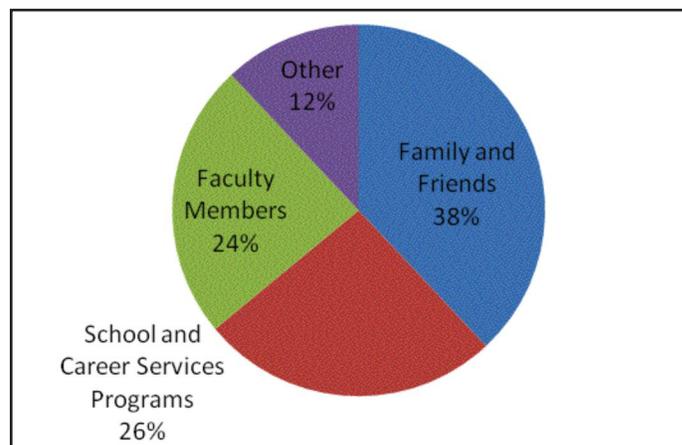


Figure 1. Intern Recruitment Sources

Employers should start with the career counseling office and relevant academic departments (e.g., Business, Engineering, Computer Science) of community and four-year colleges in their area. Faculty members are a good source of introductions to qualified students so employers may want to start a dialog with them. Also, employers should be mindful that faculty, particularly those in business, computer science, and other technical disciplines, are often a source of short-term technical help.

Employers should go to college web sites to find the names of the career counseling personnel and department chairs. They should also attend internship and job placement fairs. Employers can contact colleges in their area and ask to be placed on the list of invitees. If the college has an electronic jobs board, employers should post an advertisement.

Also, employers should post their request for an intern on key Internet sites that college students use to find internships (see Table 1). These web sites are organized by industry fields and provide a venue to showcase the employer's needs.

<i>Web Site</i>	<i>Profile</i>
Campuscareer.com	Internship Information/Post Resume
Craigslist.com	State/City/Industry/Positions Available
Internjobs.com	Location/Industry
Internshipprograms.com	State/Industry
Internships4you.com	Internship Positions/Employer Profiles
Internweb.com	Internships Listed by start date/Paid/Unpaid
Internzoo.com	Internships listed by start date
Jobvault.com	Click Job Icon for Internship Positions
Monstertrak.com	Location/Industry
Wetfeet.com	Click on Undergrad/Internship Positions

Joining an academic department's industry advisory board provides employers with an opportunity to voice opinions as to the skills that are needed in the workplace, obtain the names of students who meet employment requirements, and have direct access to a college's faculty and administration.

When speaking to college placement officers and faculty, employers should offer to address a class and/or sponsor a field trip to their business.

Once connected, employers should keep in touch with the college on a regular basis. In addition, employers should thank contacts when they hire an intern. The employer should let their contacts know if the job was filled from another source. Contacts at the college should be kept informed regarding future hiring needs.

What Do Colleges Expect?

Colleges often offer credits to students who successfully complete internship programs. To do this, the college must be assured that the student has an academically relevant experience. For instance, accounting firms often hire interns for the busy tax season. The college will give academic credit when the academic mentor is satisfied that the intern performed entry-level accounting and tax assignments and was not merely asked to copy and collate tax returns.

Employers should find out what the college expects by inquiring about policy requirements in regard to the quality and conditions of the internship. Many colleges, particularly when academic credit is offered, require the intern, employ-

er, and academic mentor to sign a learning agreement that outlines the responsibilities of the employer, the intern, and the academic mentor, as well as the assessment criteria.

The learning agreement should outline the skills the intern will possess when the assignment is complete, if academic credit is to be awarded. If the intern is a minor, a section should be included where the parent or guardian gives his or her permission for the student to participate in the internship.

The student should agree to the work to be performed, the conditions of employment, compensation, the evaluation criteria, and the credits to be awarded.

The employer should agree to employ the intern, provide guidance and supervision, and discharge administrative responsibilities (e.g., preparation of formal, written performance appraisals).

The academic mentor's section should describe how the college will be assured that the work assigned and performance level of the intern meet the criteria for the award of credit.

<i>Assignments/Tasks</i>	<i>Skills/Software</i>
Accounting entry	QuickBooks
Spreadsheet creation	Excel
Data entry/management customer database	Access
Internet research	Internet search engines/web sites
Document creation (letters/memos)	Word
Phone calls/messages/appointments	Oral communication
Train others in newer software (i.e., Vista, Access)	Interpersonal skills
Update web sites	Internet/writing/editing
Develop marketing promotional materials	Word
Design new graphics	Photoshop/CAD (Computer Aided Design)
Create presentations	PowerPoint

Questions

Before hiring an intern, employers are advised to consult with the college referring the intern, their human resources administrators, and attorneys.

The college referring the intern needs to be queried as to when the interns will be available and when they are likely to ask for time off for exams, summer/winter recess/spring

break, and if interns are available during recesses and breaks; the skills possessed and level of competency of the potential interns; whether it is customary to pay interns, and if they are paid, the customary rates of pay; administrative requirements (e.g., requirements for formal evaluations and meetings with academic mentors); what happens if an intern needs to be terminated; and who are the primary and secondary contacts at the college.

Human resources administrators and attorneys need to be queried regarding an intern’s compensation arrangement and conditions of employment to confirm that these are in compliance with labor laws and collective bargaining agreements.

Insurance brokers, as well as human resource advisors and attorneys, should be asked if it is necessary to carry workers compensation, disability, and general liability insurance.

College placement officers should be able to provide guidance in internship programs. However, employers are cautioned to consult with professionals who are their advocates.

Candidates for intern positions need to be asked the same questions asked of candidates who are applying for full-time positions. However, interns are a special category and information unique to their situation needs to be obtained. Employers need to ask interns if they are available during winter and summer recess and spring break; if they will need time off for mid-term and final exams; whether they have any family responsibilities or religious obligations that will prevent them from working at certain times; whether they plan to remain in the area after graduation (this is particularly important if the possibility of full-time employment exists after graduation). In addition, employers should know how the intern will travel to the job site; how they plan their day and week to accommodate academic responsibilities, extra curricula activities, family time and the internship; if the intern has concerns about the company’s dress code; whether the intern will receive college credit and how the intern will be evaluated. Prior to bringing the intern on board, the employer should be aware of the intern’s academ-

ic record as this is a good indicator of the intern’s achievement and willingness to work.

Employers may also want to test intern’s computer and software skills, and give them a trial run answering phones and meeting customers.

Should a Problem Arise

What happens if an intern does not perform as expected, is constantly late, or has poor attendance? It is important to have a policy in place that addresses corrective action and the necessity of termination. The policy should be incorporated into the learning agreement that is signed by the intern, employer, and academic mentor. Employers should make the college their partner.

Employers may want to institute a trial period with the intern. A week or two on the job will reveal any shortcomings or misunderstandings and allow for nonconfrontational remedial action before the expenditure of an inordinate amount of time and energy.

The intern’s mentor should be informed of problems or inadequate skills. Often it is a no-fault situation that arises from an inadequate understanding of the job or the skills required. Internships are mutually beneficial and the experience will be enhanced by open and free communication that seeks to solve the problem rather than assign fault.

Managing the Intern

The intern needs to be managed as any entry-level employee. However, it should be understood that the intern will be spending a considerable amount of time on academic pursuits and that the intern will assign priority to his or her academic career. A good idea is to set a work schedule a minimum of one week in advance and require the intern to conform to the schedule. The intern will quickly become a member of the employer’s team and the employer will plan their day and assignments with the intern in mind. However, the employer must be aware that the intern’s schedule is a function of the academic year and the intern may not be available during peak times. Dennis (1996) provides similar insights.

If the employer’s experience with interns is a good one, they may wish to recruit interns for future assignments. Colleges do not have an unlimited supply of qualified interns so it is a good idea for employers to multisource potential interns.

An Intern or an Employee

When hiring an intern employers should determine if that person is properly classified in compliance with the Fair Labor Standards Act. This federal regulation will not apply to interns who are well compensated and in high-skill positions. However, it is incumbent on the employer to ensure that their company is in compliance with the federal law, particu-

Table 3. Due Diligence

<i>Consult or Ask</i>	<i>Regarding</i>
Underage interns	Parental consent
Insurance brokers	Worker’s compensation, disability and general liability insurance
Foreign students	Permission to work in the United States
College mentors	Performance reviews and other college requirements
Human resources administrators and attorneys	Compliance with labor laws and collective bargaining agreements

larly if the intern is unpaid. The intern or employee distinction is important. Six criteria, derived from the Supreme Court decision, *Walling v. Portland Terminal Co.*, 330 U.S. 148 (1947), make the distinction. These are found in the U.S. Labor Department's Wage and Hour Field Operations Manual.

Bahls and Bahls (1997) summarize the distinction: "Unless your internship program is essentially educational, your interns may look suspiciously like employees, who are entitled to the federal minimum wage."

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