

## THE ROCKY TRANSITION FROM INTERN TO FULL-TIME HIRE

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In 2006, I consulted to a large U.S. financial services firm that relied on a steady stream of college graduates to serve as financial analysts. These analysts, the first of the Millennial generation to enter the workforce, were recruited from the best universities. They underwent enriching and costly intern and orientation programs to be vetted and trained. Upon transfer to full-time hires, most quit their jobs within six months. By the time I was contracted to stem the bleeding, the attrition rate for these new graduates was over 60%. A terrible return on investment!

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Fast forward to 2012, and we see a fundamental change in the economy and the labor market that supports it. Economic uncertainty, generational shifts, globalization, and emerging communication technologies have transformed business models and, as a result, changed what is required of the workforce. In an effort to stay competitive in this "New Economy," companies are seeking employees with an aptitude for technology, innovation, customization, and flexibility. Many, believing that the Millennial generation has these core competencies, have beefed up their University Relations and college intern programs as a way to fill their talent pipelines for the future. These intern programs are, for the most part, quite successful in developing and motivating Millennials to work. The problem is in the transition to full-time hire. Specifically, the experience that new graduates receive as interns is in stark contrast to what they experience as full-time employees. This disconnect, as highlighted in the table below, causes high Millennial attrition, and damages the reputation of the employer as a desirable place to work.

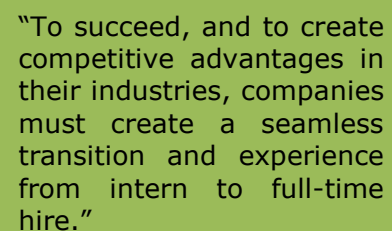
Intern Experience	Full-Time Experience
Encouraged to network, meet new people, and explore the company	Networking perceived as not focusing on the job you were hired to do and discouraged during the first year
Messages: You are a vital part of our business strategy; Our doors are open; We welcome your new ideas	Messages: Know your place; don't circumvent the chain of command; Your idea won't work
Peer bonding and sense of community	Low peer-to-peer interaction; lack of community
Explicit career development and pathing conversations from HR and intern "handlers"	Little to no career development from managers; sink or swim/figure it out yourself expectations from managers
Placed with managers who are sensitive to the experience and success of the intern	Placed with whichever manager needs and receives headcount, regardless of people management skills

Over the past 10 years, I have had the opportunity to listen to countless numbers of new college graduates describe their rocky transitions from intern to full-time status. My experience, spanning a variety of industries such as Entertainment, Financial Services, and the Not-for-Profit sector, has provided me with a deep understanding of the Millennial generation and the types of experiences that motivate them to excel in full-time roles. Millennials want opportunities for meaningful work from the start of their employment and ongoing. They are ambitious in their career development and expect their managers to engage them in career pathing discussions on a regular basis and to act as coaches and mentors in their career development and networking strategies. Millennials also value community and are looking to the workplace to provide them with opportunities within the company to build their network.

For the most part, companies are successful in providing Millennials with these experiences during their internships, and in creating a positive environment so that these interns will return for full-time roles. However, the same companies do not do a good job of providing the same experiences to Millennials when they transition them to full-time roles. The reason for this is threefold:

- **Lack of integration between Intern, University Recruiting and Talent Management functions:** The person or team running the Intern program does not fully coordinate efforts with Recruiting. In turn, Talent Management (the function responsible for ongoing career planning, leadership development and performance management) is not in the loop. As a result, messages and initiatives that touch new graduates often conflict with what they have been told or experienced as interns. The lack of continuity can feel like a bait-and-switch and leaves Millennials with negative impressions of the employer.
- **Management discomfort with providing performance feedback and career development:** Managers are most often promoted to supervisory roles because they demonstrate mastery of a technical task. Despite corporate efforts to develop their “people” skills, many remain uncomfortable and unskilled in providing frequent and effective performance feedback, something Millennials expect. In addition, managers are not always informed of what career paths exist and have not been effectively trained in how to have productive career development conversations with their direct reports.
- **Generational conflict between managers and their subordinates:** Most often, the managers of new graduates are members of Generation X, an independent, resourceful and skeptical generation whose experiences, values and expectations of work are in direct conflict with those of the Millennial generation. When interns transition to full-time roles, they are often assigned to Generation X managers who do not have the time, skills or inclination to coach and mentor them. After experiencing exciting summers of personalized guidance, hands-on development and plenty of team-building events, working day in and day out for Generation X managers is a rude awakening for most Millennials.

The purpose of most corporate intern programs is to build an effective talent pipeline and employer brand. Intern programs are costly and must have a high return on investment to prove valuable. To succeed, and to create competitive advantages in their industries, companies



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must create a seamless transition and experience from intern to full-time hire. Doing this well is possible, but requires a critical look at organizational structure and culture, as well as the roles and skills of the people asked to navigate the transition.