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# Putting the pieces together: Effective characteristics of an HR internship program

#### **Abstract**

Many organizations often use students as interns in their human resource (HR) departments. What are the factors that make this successful for both the student and the organization? This report will look at characteristics for successful HR internships from both the student and the organizational viewpoints. It will show how to create an effective program as well as display recruiting techniques to attract and retain top notch candidates.

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# PUTTING THE PIECES TOGETHER: EFFECTIVE CHARACTERISTICS OF AN HR INTERNSHIP PROGRAM

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Honors College

In Partial Fulfillment of the Requirements for Graduation

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#### INTRODUCTION

## **Purpose and Scope**

Many organizations often use students as interns in their human resource (HR) departments. What are the factors that make this successful for both the student and the organization? This report will look at characteristics for successful HR internships from both the student and the organizational viewpoints. It will show how to create an effective program as well as display recruiting techniques to attract and retain top notch candidates.

#### **Sources and Methods**

The sources used were primarily textbooks used in my completed courses relating to HR. Also used, was the informational website of the Society for Human Resource Management (SHRM). SHRM has conducted research on internship programs as well as numerous other HR topic areas. This information is free to current members. Another integral part in the creation of a successful internship program came from my experience working as an HR Intern, as well as my formal education.

#### **HUMAN RESOURCES**

#### Overview

"Human resource (HR) management is the design of formal systems in an organization to ensure effective and efficient use of human talent to accomplish organizational goals." HR management has greatly evolved since its beginning

about 1900. In the beginning, it was primarily a clerical operation, referred to as the "personnel department". Its major concerns were payroll, employee records, and arranging community visits. (Mathis & Jackson, 2003)

HR consists of three main activities. Each activity involves human talent. HR is responsible for attracting, retaining, and developing human talent. In order to accomplish these three activities, HR typically has five major functions. They include:

- Benefits
- Compensation
- Employee/Labor Relations
- Staffing/Recruiting
- Training and Development

#### **Benefits**

Benefits are a form of indirect compensation that represents a large part of the total compensation package offered to employees. The benefits function is responsible for selecting and managing the organization's benefits program.

This includes benefits that are government mandated. Typical benefits offered by organizations fall into the following categories:

- Job Security
- Retirement Security
- Health Care

- Financial, Insurance and Related
- Family-Oriented
- Time Off
- Social and Recreational

(Mathis & Jackson, 2003)

## Compensation

"Compensation includes all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship." The compensation function is responsible for managing and administering these financial returns. Their responsibilities also include analyzing and designing jobs, as well as formulating an appropriate pay structure for the organization. A compensation system typically has the following eight dimensions:

- Pay for Work and Performance
- Pay for Time Not Worked
- Loss of Job Income Continuation
- Disability Income Continuation
- Deferred Income
- Spouse (Family) Income Continuation
- Health, Accident, and Liability Protection
- Income Equivalent Payments

(Henderson, 2006)

## **Employee/Labor Relations**

The employee/labor relations function typically deals with managing union relationships. Employee/labor relations involves extensive knowledge on labor law and the collective bargaining process. This is necessary when negotiating with unions or workers on contract provisions. This group is also responsible for grievance management, which entails monitoring the grievance process, as well as the outcomes and possibly settling grievance hearings.

## Staffing/Recruiting

Staffing involves the determination of the number of positions required for the organization to continue its operations. Recruiting involves generating a pool of qualified applicants and selecting the appropriate talent to fill open positions within the organization. They do this by screening applications and resumes, interviewing, and ability tests.

## **Training and Development**

"Training refers to a planned effort by a company to facilitate employees' learning of job-related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance." "Development refers to formal education, job experiences, relationships, and assessments of personality and abilities that help employees perform effectively in the current or future job and company." (Noe, 2005)

The training and development function is responsible for five major activities in relation to a training program. They include:

- Needs Assessment
- o Design
- Development
- Implementation
- Evaluation

#### **HR Generalists**

"As a firm grows large enough to need someone to focus primarily on HR activities, the role of the HR generalist emerges – that is, a person who has responsibility for performing a variety of HR activities." An HR generalist is typically responsible for two or more HR functions. They support a group of employees in regards to the day to day HR operations. In addition, they may collect and analyze data, as well as make recommendations to upper management. (Mathis & Jackson, 2003)

#### Other HR Functions

In addition to the HR functions previously discussed, organizations have other functions that are commonly grouped with the HR department. They include:

- Global HR
- Diversity
- Health, Safety and Security

- o Technology
- Legal
- Communications

#### INTERNSHIP PROGRAMS

#### Overview

Internship programs, sometimes referred to as work-study or co-op, are designed to provide students with work experience that complements their formal education. For example, an HR student could use their educational knowledge on staffing to assist a company's recruiting department in attracting top candidates for open positions. "This form of learning helps students to synthesize classroom theory with real-life practice." ("Organizing")

Typical projects assigned during internships may include:

- Designing and implementing a salary survey
- Writing job descriptions
- Developing an exit questionnaire
- Monitoring pertinent legislation pending
- Assisting with affirmative action projects
- Conducting telephone surveys
- Assisting in job interviews and follow-up
- Observing and assisting in contract and labor negotiations
- Writing operating procedures in compliance with federal laws

- Developing and implementing employee training programs
- Implementing and conducting training on HR information systems

   ("Organizing")

## **Benefits to the Company**

An internship program is beneficial for most companies. Internship programs offer convenient access to a highly motivated and skilled labor pool, which lowers recruiting costs. Student workers are enthusiastic and eager to learn. Students provide companies with fresh perspectives, which offer new and objective viewpoints that stimulate creative problem-solving. Hiring an intern provides companies with a chance to complete special projects which may otherwise go incomplete. Internship programs also provide companies with increased access to minority candidates. ("Organizing")

#### **Benefits to the Student**

Internship programs provide students with benefits as well. Through internships, students are able to obtain a realistic perspective of the working world, which companies value. They are also able to gain marketable work experience. This makes them more attractive to potential employers after graduation. Students are able to make valuable business contacts that may assist in finding permanent employment down the road. Internships also provide a great way for students to earn money while still in school. ("Organizing")

## **Successful Characteristics**

The first step to designing a successful internship program is to have a clear purpose and establish goals. It is critical for an intern to be aware of the program outline and expectations. Interns should go through the same employee orientation that other new hires participate in. This will help educate the intern on the company history, policies and practices.

A key component to making an internship program stand out from other internship programs is job rotation. Job rotation allows employees to rotate among department functions to gain experience in a range of activities. An HR student would benefit greatly from having experience in each of the five major HR functions, which could be obtaining through job rotation.

Another successful characteristic involves intern participation in supervisor activities. This includes participation in manager or departmental meetings, where the intern can learn how meetings are conducted and what issues the department is facing. Also included in participation, is another learning experience which allows an intern to follow an employee for a half-day or full-day. This is called job shadowing. It provides hands-on insight into what various HR employees do from day to day.

Other successful characteristics concern the review and exit process. It is important for an intern to be continuously and consistently evaluated from various

points of view. This can be attained through periodical evaluations conducted each time the intern rotates into a different HR function. Simultaneously, an exit interview should be conducted as well. This will allow the Leader to obtain positive and negative information about the internship program, which is useful in implementing changes for improvement.

## **Negative Characteristics**

Negative characteristics of internship programs involve some opposites to successful characteristics. This would include providing little or no feedback and well as providing an unclear direction without goals. Another negative characteristic involves the completion of mundane or routine work. This includes activities such as filing, shredding documents and data entry. The intern wants to gain valuable experience to use in a future career and this type of work does not provide such experience.

#### **INTERN CANDIDATES**

#### Successful Characteristics

There are three main areas of focus when searching for potential candidates for the company internship program. They are education, work experience and extracurricular activities. A successful candidate will have a strong academic record and will have some work experience, while remaining involved in extracurricular activities.

When looking at a candidate's education, it is important to set an acceptable level of standards. A student should have a grade point average above a 3.0 on a 4.0 scale. S/he should also be working towards the completion of an HR-related degree. Any awards or significant achievements in this area would be considered a plus.

When reviewing a candidate's work experience, it is important to look at the candidate's exposure to customer service. HR serves the company's internal customers, the employees. Customer service experience is necessary in any business setting to ensure the proper operation of the department. Any experience that is HR related would not be expected, but highly preferred, especially for Level III and Level IV Intern candidates.

The next area to focus on is the candidate's involvement in extracurricular activities. A good candidate would be actively involved in the Society for Human Resource Management (SHRM), which is the largest organization serving HR professionals today. Involvement in other activities, especially other HR organizations, would be highly valued. As a leader or officer within organizations, students can gain experience that is useful to companies. It is also important to examine the purpose and mission of the organization of which the student belongs. Only professional organizations should be considered valuable.

#### **Desired Skill Set**

A desired skill set is a list of skills that a company finds valuable within an intern candidate. A skill set that would be successful in an internship program includes leadership and an ability to work in teams. Many of today's companies focus on developing leaders to work and lead their various teams.

Other desired skills include motivation, organization, communication and knowledge of business software, such as Microsoft Office. In order for an intern to be successful, s/he must be motivated to succeed, organized in all aspects and have the ability to communicate clear and concise ideas.

## Recruiting

The best way to recruit high performing HR interns is to establish a strong relationship with local universities. To do this, the HR department must be connected with local SHRM student chapter advisors, university department heads, professors, and other staff members. These people can connect a company with the best pool of students to choose from.

Other methods of recruiting include participation in on-campus career fairs or other local career fairs. There are also university-sponsored online career search programs, such as eCampusRecruiter, which allow companies to search through student resumes for potential candidates.

#### INTERN EVALUATION

At the end of each job rotation, the intern should be evaluated on their performance. A sample evaluation form is included in Appendix B. This should be based on eight core competencies using a rating scale of one to four. This allows for a possible score of 32. The rating scale is as follows:

- 1 = Unsatisfactory Performance
- 2 = Some Improvement Needed
- 3 = Thoroughly Performing
- 4 = Outstanding Performance Achieved

The eight competencies focus on common company goals and characteristics that produce successful employees and they are as follows:

o Communication

The ability to convey clear ideas and messages.

Adaptability

The ability to be flexible in changing situations and environments.

Initiative

Seeking new challenges and projects.

Innovation

The ability to deliver new, fresh ideas.

Problem Solving and Judgment

The ability to efficiently handle problems.

Customer Focus

The internal and external treatment of customers.

#### Results Oriented

The ability to achieve reliable, business outcomes.

#### o Collaboration

The ability to create a supportive, team-focused culture.

#### **INTERN COMPENSATION**

Interns are classified into four levels, which consist of different school statuses, knowledge levels, salary ranges and bonus tiers. Below is a chart that lists the different levels of interns as well as their pay structure. This is followed by a detailed explanation of each item.

Level	Student Status	Knowledge	Salary	Bonus
I	Junior	Basic	50% - 53%	1% / 2% / 4%
II	Senior	Familiar	54% - 57%	2% / 3% / 6%
III	1 <sup>st</sup> Year Graduate	Proficient	63% - 66%	5% / 6% / 12%
IV	2 <sup>nd</sup> Year Graduate	Fluent	67% - 70%	6% / 7% / 14%

Interns should be compensated on two factors: their school status and knowledge. School status refers to the year in school they are currently in, which is usually determined by the number of credits that the student has completed. The level of knowledge refers to a broad spectrum of information. This can include basic office procedures as well as HR practices and theories. This can be customized to fit the needs and goals of the company when they formulate a job description.

In order to reflect whether a company is competitive in terms of their average

compensation, an intern's salary is calculated as a percentage. This is done by

figuring the average salary for an HR manager at the company and multiplying it

by the intern's pay percentage. This will give you an annual salary for the intern.

Next, to calculate an hourly rate, the intern's annual salary is divided by 2,080

hours, which is the approximate number of work hours in one year. At each

level, interns may be paid within the salary range. Pay can vary within each level

depending on the candidate's credentials.

Bonuses are based on the level of performance that an intern achieves. There

are three bonus tiers for each intern level. Bonuses are also calculated as a

percentage of salary and by the number of hours worked in the evaluation period.

In order to calculate an intern's bonus, their evaluation score must be obtained.

The performance evaluation score determines which bonus percentage is

granted to the intern. That percentage is then multiplied by the intern's hourly

rate. Finally, that number is multiplied by the number of hours worked in the

review period. Below are the bonus tiers and the necessary evaluation score.

Tier 1: 22 to 25

Tier 2: 26 to 29

Tier 3: 30 to 32

16

#### **EXAMPLE HR INTERNSHIP PROGRAM**

## **Company Information**

Company A is seeking to hire an intern to work within their HR department. The company has three locations in Livonia, Michigan: a manufacturing plant, a sales office and the corporate headquarters. Located at the corporate headquarters, is the HR department, which consists of three functions: Benefits,

Recruiting/Staffing, and Training and Development. In addition, Company A has an HR generalist supporting each of the three locations. This provides six areas for an intern to gain experience in. Below is a schedule developed to provide an intern with experience in each of the six areas over a two year period.

Year One	Summer	Fall	Winter
	Generalist – Corp. HQ	Recruiting	Training
Voor Two			_
Year Two	Summer	Fall	Winter

Position	Salary
Benefits Manager	\$55,000
Staffing Manager	\$52,500
Training and Development Manager	\$55,000
HR Generalist – Corp. HQ	\$47,500
HR Generalist – MFG	\$45,000
HR Generalist – Sales	\$45,000

Average HR Manager Salary = \$50,000

#### **Candidate Credentials**

Student A is a senior majoring in Management at Eastern Michigan University.

S/he will graduate this May with a Bachelor's of Business Administration and

plans to attend graduate school in the fall. Student A's resume is provided in Appendix A. As shown in Appendix A, Student A exceeds the requirements in education and work experience. Student A is also very active in organizations and volunteer work.

## **Calculating Hourly Wage**

Since Student A will be a first year graduate student, s/he will be considered a Level III Intern. Because Student A exceeds the knowledge requirements and has previous experience as an HR Intern, s/he will be paid at the higher end of the pay range. This equates to 66% of the average HR Manager's salary at Company A. Below is the calculation of hourly wage.

## **Calculating Bonus**

In order to calculate the bonus, the evaluation form must be reviewed. Student A received the following evaluation scores for the summer semester.

Communication	4
Adaptability	3
Initiative	4
Innovation	3
Problem Solving and Judgment	3
Customer Focus	4
Results Oriented	3
Collaboration	4
Total Score:	28

This would place Student A within the Tier 2 bonus. As a Level III Intern, s/he would receive a 6% bonus, calculated as follows:

 $$15.87 \times 6\% = $.95$ 

 $$.95 \times 600 \text{ hours} = $570 \text{ bonus for the summer term}$ 

## CONCLUSION

In order for an internship program to be successful, it needs to accomplish three goals. The first goal is to attract a diverse pool of qualified candidates. This will allow for selection of the most qualified candidate. The second goal is to retain top talent within the internship program to promote its success. The final goal is to develop future HR professionals for potential use within the company.

#### APPENDIX A - Student A's Resume

# STUDENT A. RESUME

12345 CROSS ST. • YPSILANTI, MI 48197 PHONE 734.487.0341 • E-MAIL SRESUME@EMICH.EDU

#### **OBJECTIVE**

To work as a Human Resources Intern while beginning graduate studies in the fall.

#### **SKILL HIGHLIGHTS**

- Effective leadership and team-building skills.
- Persuasive in classroom situations involving team assignments, oral presentations, and discussions.
- Self directed and self motivated in achieving educational and further skill enhancements.
- Recognized for sales achievements in previous work experiences.
- Proficient in Microsoft Excel, Outlook, PowerPoint, Publisher and Word.

#### **EDUCATION**

Eastern Michigan University Degree: **Bachelor of Business Administration** Expected: May 2006 Ypsilanti, MI Major: Management (HR focus) GPA: **3.75/4.00** 

Honors College (2004 to present): completing Honors in Management with HR related coursework.

#### **AWARDS**

Cooper Scholar Regent's Scholarship

HRAGD Student Scholarship Dr. Leland Brown Scholarship

Merlanti Scholar Benjamin Klager Memorial Scholarship

David K. Eastlick Scholarship Carl D. & Peggy J. & Kathleen Pursell Scholarship

Undergraduate Honor's Fellowship: awarded twice to conduct research on HR benefits and recruiting.

#### WORK EXPERIENCE

#### Human Resources Intern

Valassis

May 2005 to Dec. 2005

Livonia, MI

- Organized company sponsored events for more than 900 employees.
- Updated employee data in the HRIS and payroll system, Automatic Data Processing (ADP).
- Assisted with recruitment at career fairs by interviewing candidates and scanning resumes.
- Researched ways to decrease health insurance costs through wellness programs.

#### Resident Advisor

Eastern Michigan University

Nov. 2004 to April 2005

Ypsilanti, MI

- Developed community among a diverse population of more than 60 students.
- Planned programs designed to educate and entertain residents about various subjects.

#### Customer Service Representative

Fifth Third Bank

Dec. 2002 to Sept. 2004

Trenton, MI

- Maintained a trusting professional relationship with all customers and fellow employees while ensuring customer privacy.
- Processed financial transactions for multiple customers daily while maintaining accuracy.

#### PROFESSIONAL MEMBERSHIPS AND ACTIVITIES

Sept. 2005 to Present
Sept. 2005 to Present
Sept. 2005 to Present
Sept. 2005
Sept. 2005
Sept. 2005
Sept. 2005
Sept. 2005
Sept. 2005
Society for Human Resource Management
Sept. 2005
Society for Human Resource Management State Conference
Society for Human Resource Management 57th Annual Conference & Exposition
Sept. 2005
Society for Human Resource Management 57th Annual Conference & Exposition
Sept. 2005
Society for Human Resource Management 57th Annual Conference & Exposition
Sept. 2005
Society for Human Resource Management Sept. 2005
Society for Human Resource Management State Conference
Society for Human Res

Jan. 2005 to Present HRGames, **Team Captain** 

Jan. 2005 to Present Society for Human Resource Management, **President** 

Sept. 2004 to Present Honor's Student Association

# **APPENDIX B – Performance Evaluation Form**

# PERFORMANCE EVALUATION FORM

Employee Name:	Position:
Leader Name:	Position:
Review Period:	
<b>Directions:</b> Complete all areas of this form. Use the performance being reviewed under each of the provide specific examples in the space provided. Human Resources Department.	ne eight competencies. Be sure to
Rating Scale  1 Unsatisfactory Performance 2 Some Improvement Needed 3 Thoroughly Performing 4 Outstanding Performance Achieved	
Communication  The ability to convey clear ideas and mess  Employee Rating Leader Rating  Employee Supporting Examples:	sages.
Leader Supporting Examples:	
Adaptability  The ability to be flexible in changing situa  Employee Rating Leader Rating  Employee Supporting Examples:	tions and environments.
Leader Supporting Examples:	

Initiative Seeking new challenges and projects.  Employee Rating Leader Rating Employee Supporting Examples:
Leader Supporting Examples:
Innovation  The ability to deliver new, fresh ideas.  Employee Rating Leader Rating  Employee Supporting Examples:
Leader Supporting Examples:
Problem Solving and Judgment  The ability to efficiently handle problems.  Employee Rating Leader Rating  Employee Supporting Examples:
Leader Supporting Examples:

Customer Focus  The internal and external treatment of customers.	
Employee Rating Leader Rating Employee Supporting Examples:	
Leader Supporting Examples:	
Results Oriented  The ability to achieve reliable, business outcomes.  Employee Rating Leader Rating  Employee Supporting Examples:	
Leader Supporting Examples:	
Collaboration  The ability to create a supportive, team-focused culture.  Employee Rating Leader Rating  Employee Supporting Examples:	
Leader Supporting Examples:	
The information contained in this form accurately describes the performance during the review period.	
Employee Signature Leader Signature	
Date Date	

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