

The Washington Post

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On Leadership

Apprenticeships, long common in blue-collar industries, are coming to white-collar office work

By Jena McGregor October 20

Andrew Skelnik grew up in what he calls a “strong blue-collar background” in Chicago. His father was an electrician, his uncle was a carpenter and his first job out of high school was in the mailroom of a printing plant, where he worked his way up to become a pressman. The word “apprenticeship,” to him, meant learning a similar skilled trade: He was waitlisted for two he applied for at local unions earlier in his career.

But after he began studying computer programming while working in a warehouse, Skelnik, 29, was approached by a career adviser at his community college about a different kind of apprenticeship. He was offered a chance to work for a year at Accenture, the consulting and business services giant, where he got training on software platforms and mentoring on “soft skills” like résumé writing as he continued to take classes at night.

“They were investing in me, so I was hopeful that after everything was done I’d be working here,” Skelnik said. In June, he was hired full-time as a software engineering analyst. The biggest surprise about corporate office life? He says senior managers are more approachable than he’d expected. Oh, and “there’s always free coffee.”

Like a small but growing number of companies, Accenture is launching a program that’s long been associated in the U.S. with skilled trades or manufacturing rather than white-collar careers. Aon, JPMorgan Chase, Amazon and the Hartford are also among the businesses that have begun apprenticeships,

combining instruction time with paid on-the-job experience for workers who aren't quite yet qualified for the job.

Many newer apprenticeship programs are technology-oriented — training people for positions such as internal tech support or software programming. But they're also training human resources analysts, insurance customer support agents, account managers and more.

“Up until the recent attention I'd go to conferences and speak about apprenticeships,” said Nicholas Wyman, chief executive of a workplace skills consultancy, “and they'd think I was talking about a reality TV show or building construction.”

Indeed, the idea is gaining traction with CEOs well outside the manufacturing field. Marc Benioff, the CEO of cloud software company Salesforce.com, suggested in a roundtable with President Trump earlier this year that he aims for a “moonshot” of 5 million apprenticeships in the next five years. “When you have the IBMs and Amazons and Microsofts talking about it, I believe it generates a conversation,” said Eric Seleznow, a former deputy assistant secretary at the Labor Department in the Obama administration.

Many programs are starting tiny, some with fewer than 25 apprentices, and there are still plenty of challenges to growing them to scale. “It's a drop in the bucket for [some of] those companies,” said Wyman, saying there's a long way to go before the U.S. reaches 5 million apprenticeships.

Encouraging businesses

Unlike internships, apprenticeships combine instruction with paid work, usually over a longer period of time, and typically lead to a full-time job. Many employers register their apprenticeship programs with the Department of Labor. It is not mandatory, but doing so can help build their prestige and provide access to certain public funds or resources, according to Brent Parton, deputy director of the Center on Education and Skills at the think tank New America. Registered programs must meet certain requirements, such as giving apprentices pay increases as they gain skills.

The president from “The Apprentice” TV series, however, is looking to make some changes. In June, Trump signed an executive order aimed at expanding the concept, in part by establishing “industry-recognized apprenticeships” that would be developed by third parties such as industry groups or companies. While they may not be subject to the same requirements as registered apprenticeships, a senior White House official said they would still require Department of Labor approval to be eligible for grants and credentials.

Some say this could encourage more businesses to start apprenticeship programs, but others fear it will only confuse them. “If I’m an employer and I’m already confused about apprenticeships, this is just going to make my head hurt more,” said New America’s Parton, who was a Labor Department adviser in the Obama administration.

Trump’s Labor Department, which plans to add between \$105 million and \$200 million in additional funds to the \$95 million set aside for apprenticeships, is not the first administration to see their promise. Apprenticeships have long had bipartisan appeal — current bills have sponsors on both sides of the aisle, and state programs have been pushed by both Democratic and Republican governors. The Obama administration announced \$175 million of apprenticeship grants in 2015, helping to jump-start the more recent push.

To date, however, apprenticeships in the United States have not proliferated much outside the skilled trades, and experts offer several reasons. One is the cost of training workers, which is subsidized in such countries as Switzerland.

Another is that white-collar industries don’t have the “connective tissue” that unions provide in the blue-collar sector, training workers for multiple employers, Parton said.

“We rely on each individual employer to run their own program,” he said, an inefficient process that has kept some companies on the sidelines. Others may be hesitant to work with competitors on building a common talent pool.

Another factor: The college-for-all mentality has become a U.S. mantra, making higher education the default training ground for white-collar jobs. Nancy Hoffman, a senior adviser at the nonprofit Jobs for the Future, says “apprenticeship” has had something of a stigma. “The instant you say it, parents say ‘I don’t want my kid to be a plumber,’ ” she says.

But that sentiment could be changing. A newly released survey by New America found that 88 percent of Americans had a favorable view of apprenticeship and 83 percent said they support increased government funding for them. “To see such strong support across both Democrats and Republicans was something everyone was surprised by,” Parton said.

A ‘eureka moment’

Companies that are sponsoring apprenticeships for white-collar jobs say they’re doing so because of their potential for retaining workers and to help close the persistent skills gap, particularly in high-tech jobs.

JPMorgan Chase is running a small pilot program with a community college in Houston and plans to hire 40 people in tech-related jobs before deciding whether to expand. Industries like finance, said Sarah Steinberg, the bank's vice president of global philanthropy, are "looking to diversify their talent pipeline and frankly, just hire enough folks for those jobs."

The Hartford, which started a program this year with 17 apprentices in Connecticut and Phoenix, did so partially to compete with more attractive careers for young workers than the insurance industry. "It was a different way to go at the talent conundrum," said John Kinney, the insurance firm's chief claims officer. "Diversity was a huge important part of that."

Amazon, meanwhile, launched an apprenticeship program this year to help it bring in more military veterans, who it says are a good fit for its culture. But many don't have the updated technical skills the company needs. "It's very difficult for the military, with their procurement cycle, to stay at the leading edge," said Ardine Williams, Amazon's vice president of human resources for worldwide operations. (Amazon CEO Jeffrey P. Bezos owns The Washington Post.)

So Seattle-based Amazon partners with community colleges or with Apprenti, an apprenticeship program launched by a Washington state tech association, to train people for jobs such as data center technicians and cloud support associates. The company has 75 to 100 apprentices now, Williams said, and Amazon is considering expanding the program next to train up hourly workers into tech jobs. "When you look at creating very specific skills for a role that's an entree to a career, apprenticeships are a very pragmatic way to do that."

The professional services firm Aon started its program in Chicago partly after seeing the success of apprenticeships in Britain, partly from wanting to diversify their hiring, but also from realizing that people with four-year degrees hired for certain entry-level jobs didn't always stick around very long.

There was a "eureka moment," said Bridget Gainer, Aon's vice president of global public affairs and a Cook County commissioner, when the company realized the positions with higher attrition — jobs like H.R. analysts or internal tech support positions — were also the ones where a college degree had become a default prerequisite.

"They were bored because they're over-skilled," she says. "Outside of some call-center roles, the door people walked in [to get a job at Aon] was through a four-year degree. The question for us was, is that a habit, or was that really a requirement?"

Yet even CEOs starting apprenticeships recognize the challenge of growing such programs. “It definitely works, the question is whether we can scale it effectively,” said Greg Case, CEO of Aon, in an interview.

His firm is sharing its experience with local companies to help spread the idea. Some 100 apprenticeships are set for next year across Chicago; Gainer then hopes to expand it into other cities and at higher numbers. Aon's program currently has 25 apprentices who work at Aon Monday through Thursday and attend one of Chicago's City Colleges, Harold Washington College, on Fridays.

Julie Sweet, the CEO of Accenture North America, says that in order for apprenticeships to grow, there will need to be more coordinated programs with community colleges, more support for nonprofits and more incentives — such as tax credits or direct investment. “You don't want this to be a pet project of large-company CEOs.”

Robert Lerman, an economist at the Urban Institute, says that marketing — both from the bully pulpit by governors and presidents, as well as at the “retail” level, directly to companies and young people — is a key to expansion. “Britain spends as much on their ad campaign as we spend on the entire apprenticeship [program],” he said.

But even if companies and the government can better sell the concept — and even if there are more financial incentives — the challenge of scaling it in the U.S. will still be high, says Anthony Carnevale, director of the Georgetown University Center on Education and the Workforce. “We don't have the institutional relationships required to do this in the way the Europeans do,” he said.

It will also take a shift in mind-set, says Parton, with employers being willing to pool their resources, Americans willing to move past the higher-ed-for-everyone ideal, and educational institutions more willing to recognize learning outside the classroom. “Apprenticeships,” he says, “ask for three revolutions at once.”


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