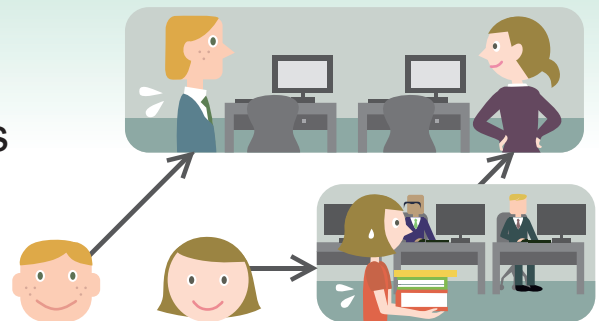


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## Observations about Internships Offered in the United States



Evidence is mounting that internship programs are essential pipelines that prepare students for work environments and that this approach is a more effective strategy than other forms of summer work or co-operative education.

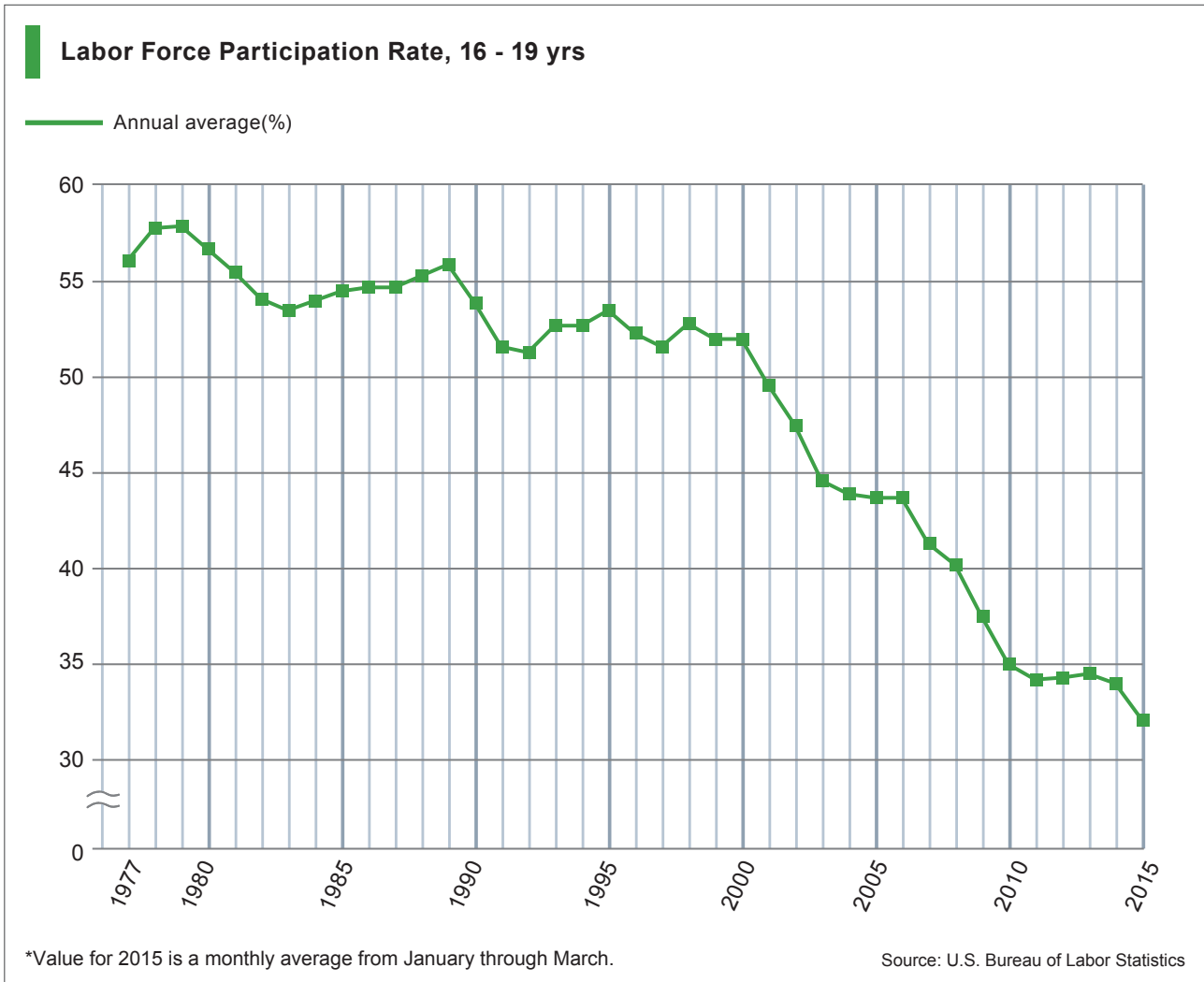
Compensating interns is fully established among nearly 100% of Fortune 500 firms but the trend has been driven as much by class action suits and negative publicity as the need to compete for critical and scarce skills.

Perhaps missing in the discussions surrounding internships and, potentially a future trend, are internship programs that focus on cross-cultural opportunities, support more [paid] international internships and employer globalization.

In essence, cultural shifts are at the core of the recruiting strategy to invest in internship programs as the primary means to fill entry-level professional openings in the USA.

### Cultural shifts

It is not a coincidence that the dramatic decline in work experience by teenagers over the last few decades has, to some degree, matched the increased interest of employers in internships. As the chart below (sourced from the BLS) demonstrates, nearly 60% of US teenagers were getting some exposure to work environments by the late 1970's.



Concerns that young adults entering the workforce without prior work experience would have difficulty adapting, would struggle to meet performance standards, and would be more likely to turnover in shorter periods of time in their first jobs have been the subject of numerous articles in the popular press. For example, in this Boston Globe article, “Are teen jobs becoming a luxury good?” the author notes that the decline in jobs of young men and women prior to college has accelerated with nearly 1/3 lost over the last decade.

More detailed research, “Working and Growing Up in America (Adolescent Lives)” by Jeylan Mortimer from the University of Michigan goes even further by suggesting that work experience impacts school

[college] performance positively and “concludes that high school students who work even as much as half-time are in fact better off in many ways than students who don't have jobs at all.”

The connection of these cultural shifts to internships is that U.S. men and women attending college today are less likely to have work experience as teenagers than at any time since the 1940s. Employers seeking to fill entry-level professional positions who are consciously aware of the challenges this lack of experience will cause have stepped up their investments in work-related programs - especially internships.

### Definition

There is general agreement that a U.S. internship provides work experience related to a student's major career interest of typically 2-4 months duration (although it could be shorter or longer). Professional-level work is associated with internships among U.S. firms. These assignments can be paid or unpaid but it is unlikely that large, well-known firms would consider unpaid internships any longer. Best internship practices would suggest that:

- The student is expected to use what they have previously learned in school in the work environment.
- The work environment as much as possible represents the actual environment (location, meetings, collaboration, feedback, teamwork, hours, etc.) that would exist if the student were a full-time employee.
- The student returning from the internship to their college is able to put their experience to use in the classroom through case studies, labs, practical problem solving, etc.
- Interns increasingly are maintaining long-term connections with other interns working at a given employer but coming from different schools with the help of the employer and sometimes with the employer's social media tools. This relationship-building effort beyond/after the internship contributes to conversion rates and sometimes to identifying prospects years afterward i.e. hiring experienced employees who were once interns.

Alternatives to internships are few and each is viewed in a very different light.

Summer work assignments and part/time work during school, while valued by employers as indicating a willingness to work hard and contribute to the cost of their education, are not viewed as adding value to the educational experience and ability to adapt to a professional work environment. Almost all summer and P/T work is for-pay and the work tends to be menial, trade, clerical or retail.

At the other end of the spectrum, co-operative education programs have been used in the U.S. for more than 100 years and are heavily geared toward engineering and other technology majors. Co-ops are more rigorously structured with specially designed learning components, apprentice-like progression, and longer duration (typically 3-6 months). Most importantly, co-op programs extend the college experience by at least one and as much as two years.

Falling somewhere between the casual summer job and the structure of a co-op program, internships have provided a more flexible approach for employers to take advantage of trying out prospective hires as a cost effective alternative.

### **Paid versus unpaid**

There are excellent reasons why an employer might be willing to have students participate as interns in their workforce and not be able to pay them. Unfortunately, there has also been significant abuse related to unpaid internships. In some cases legal action including class-action suits have generated much negative publicity in the U.S. There is ongoing sensitivity among top employers regarding unpaid internships where the work to be performed is not professional or where promises are made regarding full-time employment if unpaid internships are performed. Perhaps the most challenging issue is that some highly sought-after unpaid internship opportunities in major firms in the past have been viewed as systematically discriminating against qualified candidates who were financially unable to accept them. All of this has led to most Fortune 500 firms eliminating any thought of unpaid internship programs.

The U.S. Department of Labor's Wage and Hour Division allows unpaid internships if all of the following exist:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

### Global experience: a personal point of view

Dan Black, Global Head of Talent Acquisition with EY and a former Chairman of NACE's Board of Directors, mentioned almost as an aside that a small component of their intern population was provided an international experience.

Kristi Breen, Disney's VP of Talent Acquisition, noted that among nearly 20,000 interns hired each year to work in the U.S. were 6,000 interns from other countries.

Both of these are exceptional and unique programs.

It is the authors' opinion that very few U.S. employers intentionally hire foreign students as interns in the USA even if those students are studying at USA colleges and may have an intention to return to their country of origin where that firm has a presence.

While there are no laws restricting an employer from providing a three-month internship to a foreign student, the employer's goal to convert their interns to U.S.-based positions may be part of the reason because the effort to convert students from other countries to full-time employment is currently more expensive, time-consuming and legally challenging than most firms believe it should be.

Additionally, the organizational structure of campus recruiting in the USA is often not aligned with campus recruiting in other countries.

Still, the advantage of having specialized internship programs where a USA student could work internationally and a student from outside the U.S. attending college in the USA (or outside this country) could work in the U.S. could offer enormous advantages. From a branding perspective alone this would attract the highest quality students.

### Internship support

There are several internship career sites. All of them appear to offer unpaid positions and often require students to pay significant additional costs.

We have yet to see a University Career Services Office work specifically with employer connections to identify and establish paid internships on their own. We think this is an opportunity no one has exploited.

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Gerry Crispin, is an internationally recognized speaker, author, and thought leader. He is also committed to writing, researching and sharing his adventures, opinions and observations about evolving staffing models with the HR profession, clients and friends. Gerry is a founding member of the non-profit, TalentBoard, which seeks to define, measure and honor firms who are treating candidates as partners in the hiring process with the Candidate Experience Awards ([www.thecandes.org](http://www.thecandes.org)).

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Together, Gerry Crispin and Mark Mehler, created CareerXroads® and the CareerXroads Colloquium with one goal in mind: critically analyzing corporate recruiting issues from a tactical yet strategic perspective. Learn more at [www.careerxroads.com](http://www.careerxroads.com)

This column has been posted to the website of Recruit Works Institute.