Apprenticeships Demand a Fresh Look From Employers in the Knowledge Economy

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When Americans think of an apprenticeship, they may associate them with images of young factory workers or plumbers learning the ropes under the mentorship of a seasoned expert.

That dated image of apprenticeships is one reason why the practice has struggled to take off in the U.S. even as it has become a core part of employment and skills acquisition elsewhere.

Apprenticeships in the U.S. have tended to fall between the cracks of the traditional degree-to-employment route and the short-term, non-committal internship model.

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Despite an increase in recent years, the U.S. only had 633,000 active apprenticeships in 2019, around half the number in Germany and the 740,000 in England, both countries with much smaller populations.

It’s time for more U.S. employers and workers to rapidly embrace the potential of apprenticeships to address the growing skills gap and to provide an alternative career platform in today’s knowledge economy.

The appeal is growing

Apprenticeships aren’t just for manufacturing and other manual jobs; they are increasingly relevant for a wide range of service industries such as retail, technology and data analysis, to name a few. All employers should be looking at how they can structure apprenticeships as part of their skills-building and hiring toolkit.

These apprenticeships provide employees with an alternative path of learning and career progression to that provided by the increasingly expensive college degree option. They are very different from internships, which by definition are mostly short-term relationships with the main goal of boosting an individual’s resume and giving employers a chance to assess potential hires.

Employers should view apprenticeships as a sustainability tool, forming the starting point of a long-term relationship rather than an end in itself.

Modern apprenticeships can take a different forms today. For example, apprenticeships can be executed through more formalized, company-provided learning modules and training programs that employees do outside of their regular job duties.

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For example, at the University of Phoenix, we are working with Woz U to offer individuals in their tech apprenticeship program a pathway to a degree. The key entry requirement, for the apprenticeship portion of the program, is the individuals’ aptitude for the IT field and their desire and capacity to learn.

Employers can potentially gain from apprenticeships, too. For instance, they may gain access to a pool of talent they

wouldn’t have had otherwise and at a lower cost compared to the premium they would pay for degree holders. Those wage savings can be put toward expanded training that is also better targeted toward developing particular skills, as opposed to the common broad-based approach that makes training available for everyone. Apprentices also may stay in their jobs longer than degree holders, making them a potentially better investment.

Talent shortage getting worse

The value of apprenticeships is especially clear at a time when the skills gap in the U.S. economy is an increasingly pressing problem for employers, and only set to get worse.

Even before the COVID-19 pandemic sharply accelerated the shift to a digital economy, a survey from Manpower Group found that nearly 7 in 10 employers reported talent shortages in 2019, the worst level ever and a jump of 17 percentage points from a year earlier. The shortage was three times higher than a decade ago.

Apprenticeships provide a way for companies to avoid skill-shortage disruptions by taking more control over their pool of talent and ensuring that the pipeline keeps flowing.

The good news is that the value of apprenticeships is starting to get more recognition from both employers and the government. The number of apprenticeships in the U.S. has steadily increased over the past decade, reaching a high of 252,000 new entrants in 2019. Apprenticeships have attracted bipartisan support since the 2008 financial crisis, with both of the past two administrations taking steps to support their expansion.

A new bill set to be considered by Congress would give the Office of Apprenticeship within the Department of Labor more power to expand national apprenticeship programs, encourage

employer participation and strengthen links between education institutions and apprenticeship systems.

More government support for apprenticeships would be a welcome development, but the main onus is on employers to ditch their reservations about the concept and to start putting in place programs that recognize their long-term value.

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