

As featured in **Seattle Business**

# Internships: Yea or Nay?

A good program will generate benefits, but be sure to do it right.

Steve Jobs and Bill Gates were interns. Best companies use internships to win the war to recruit talent. The website Internships.com indicates that 56 percent of employers plan to hire more interns this year, up 9 percent from 2013. Internships are the ultimate job interview. “Test running” the talent helps you avoid costly hiring mistakes. Things to know about internships:

**1. Business benefits from internships.** Internships provide a pipeline of desired talent. About 35 percent of full-time, entry-level college hires come from internships. Employers report about 40 percent higher retention rates with interns.

**2. Getting your internship program started.** Think it’s too complicated? Some universities make it easy. For example, Gonzaga University provides employers its “Internship in a Box,” a step-by-step guide that includes forms (such as an internship agreement) and checklists to easily create your internship. Gonzaga facilitates the

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process to help you find the best candidates. For more information, contact Heitkemper@gonzaga.edu.

**3. Different internship structures: Paid or unpaid?** One size does not fit all. Internships do not always require arrangements for college credit. You can tailor the program to fit your company. Internships can occur during any time of the year and be full time, part time or involve “job shadowing” rather than specific assigned tasks.

For unpaid internships, you need to structure them correctly. Unpaid interns at Fox Searchlight Pictures sued, claiming wage and hour violations. The court concluded the interns were “employees” covered by federal and state wage and hour laws. But, in another case, *Wang v. Hearst Corporation*, the court refused to conclude as a matter of law that the unpaid interns were “employees.”

Consider these U.S. Department of Labor (DOL) factors when creating your unpaid internship. (See DOL’s “Fact Sheet #71” at www.DOL.gov). The unpaid intern:

- Should receive training similar to an educational environment.



An agenda of training and prearranged college credit helps establish this.

- Should benefit by receiving practical experience and knowledge.
- Should not displace regular employees. A red flag to the DOL is if the intern replaces paid employees.
- Provides no work that renders immediate advantage to the company; at times, the internship may even impede company operations.
- Is not necessarily entitled to a job at the end of the internship.
- Understands the internship is unpaid and acknowledges this in a signed internship agreement.

**4. Effective intern onboarding.** Have each intern review and sign an internship agreement. Provide the intern an orientation, which explains company policies against harassment and discrimination and describes your open-door complaint process. Train the intern on programs needed to perform the assigned project(s). Alert your managers about what tasks interns should and shouldn’t do, and that the interns should be closely supervised. Assign the intern a mentor and preschedule check-in meetings to review with the intern how things are going.

**5. Internship agreement.** Some states, like Oregon, require internship agreements. A best practice includes having each intern sign an agreement that states: (a) the internship’s duration; (b) that the intern received the company harassment, discrimination and complaint process policies; (c) specific learning objectives, how the intern will be evaluated (if for college credit) and what skills/knowledge the intern will gain; (d) the name of the mentor and prescheduled progress review dates; and (e) the DOL’s criteria, listed above.

Internships will improve your recruiting. These best practices can help you get the internship started.

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