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MANAGEMENT

These Companies Will Pay You to Learn Your Job

Before hiring employees full-time, firms enroll them in training that can take almost a year; 'most people don't come out of undergrad the perfect salesperson'

Associates Michelle Chen, left, and Sandra Hoang work through a problem with instructor William Hawkins at a Capital One Developer Academy at the company's offices in Vienna, Va.

By *Kelsey Gee* | *Photographs by T.J. Kirkpatrick for The Wall Street Journal*
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💬 **6 COMMENTS**

A handful of companies are building corporate finishing schools to attract and keep the skilled workers they need.

Capital One Financial Corp. COF 0.69% ▲ , software firm SAP SE SAP 0.39% ▲ and kidney-health provider DaVita Inc. DVA 2.18% ▲ are among the companies hiring workers to attend bootcamp-style training courses where they learn the coding, patient care or communication skills they will need on the job. Workers are paid during the stints, which can last from six weeks to nearly a year, after which they start full-time as a software developer, project manager or nurse.

For companies, the programs solve a problem similar to the "last mile" hurdle in supply chains, in which getting goods over the final mile to their destination can be the most costly and tricky segment of the journey.

Employers' last-mile programs help companies get workers with the right attitudes and attributes fully ready for the job. Plus, they say it allows them to recruit from a broader group of potential hires by dropping lengthy experience requirements in favor of sharpening young talent in-house.

Companies also reason that the academies, which have emerged over the past five years, are less expensive than hiring more experienced workers who don't end up being a good fit for the role. One of the programs pays slightly more than minimum wage during the training period.
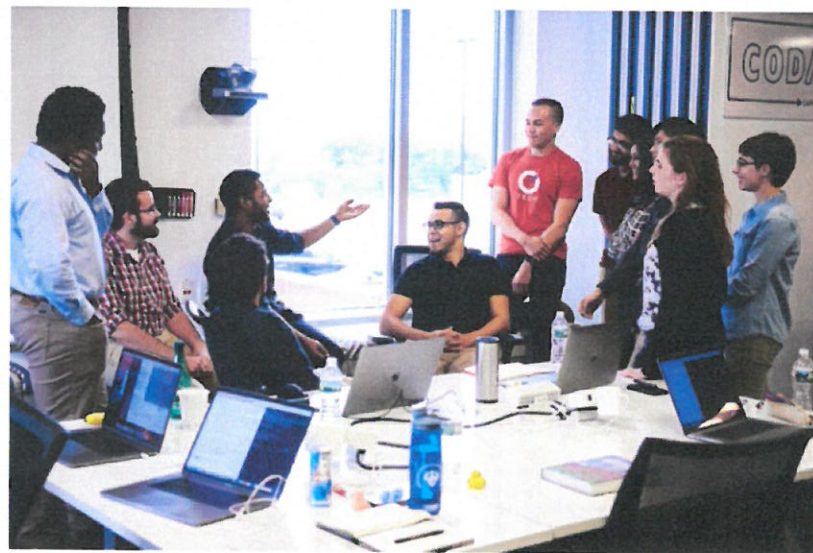
Instructor Nelley Kelley with a group of associates at a Capital One academy.

Learning how to do your first job is like learning how to drive a car, said Dave Hoerman, chief wisdom officer at Davita. While nursing school equips their entry-level clinicians with technical expertise, the company's training program gives new hires the confidence and context to do their jobs well, he said. "You can sit in a classroom and learn every rule in the book, but it doesn't make sense until you get out there on the road."

In July, Capital One opened a developer academy for 60 new-graduate hires who will spend six months in bank-owned classrooms learning programming skills and business processes. Capital One engineers and other employees lead courses on cloud computing and app development. Academy hires are also assigned a company mentor to help them understand the firm's culture and provide on-the-job advice.

Capital One doesn't ask academy recruits to commit to a set period of time, but Devin Lipawsky, the firm's leader of technology talent, says that young employees will be

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Capital One doesn't ask academy recruits to commit to a set period of time, but Devin Lipawsky, the firm's leader of technology talent, says that young employees will be motivated to stay with a company that has invested in them.

After spending months learning about the company and preparing for the job, "the risk that they won't be successful in a role at Capital One is low," he said.

Diego Jimenez, 25 years old, said he joined the Capital One academy to step up into a software engineering role. Mr. Jimenez graduated from the University of California, Santa Cruz with a degree in technology and information management but said employers were hesitant to hire him without a computer science degree.

The 9-to-5 daily lectures, coding labs and team projects allow him to apply lessons to company problems, he said.

"Most of my peers were hired into a company where they were expected to sink or swim on day one," said Mr. Jimenez. "I love that I work in an environment similar to what I was used to in college."
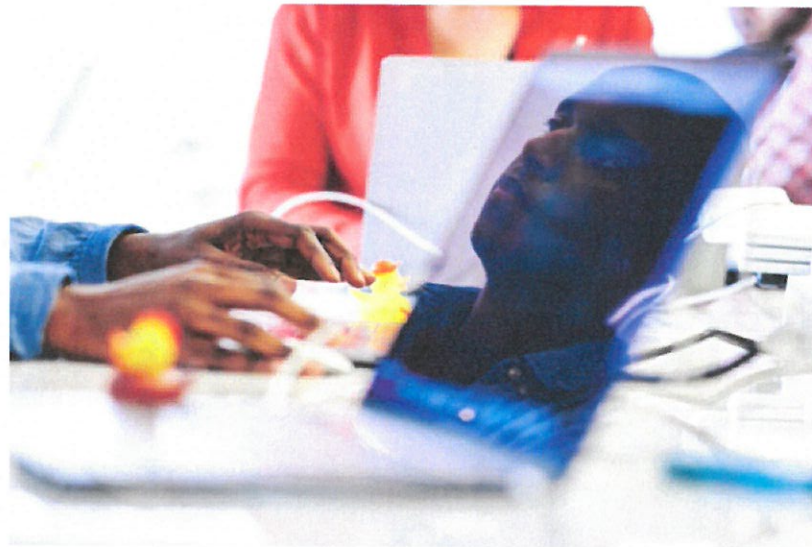
Associate Aaron Wilson, reflected on screen, works in a lab session at the Capital One academy.

U.S. employers' spending on training has increased during the last several years, reaching a high of $1,252 per-employee in 2015, according to the latest data from the Association for Talent Development, from $1,229 the year before. Many employers skimp on training for entry-level workers, reasoning that investing money in those workers doesn't pay off if they change jobs, said Peter Cappelli, a management professor at University of Pennsylvania's Wharton School.

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New talent-development agencies such as Revature LLC and MemoryBlue have set up their own paid boot camps in recent years, hoping to tap those corporate dollars. Revature hires new college grads who make from $8 to $15 per hour while taking classes in programming languages and software platforms that client companies like Accenture PLC and Wall Street regulator Finra demand. MemoryBlue uses a similar model to train workers to become sales consultants for partner firms in the tech industry.

Dialysis provider Davita in 2014 began a program paying newly-minted registered and licensed practical nurses to learn the clinical skills needed on the job. More than 6,000 clinicians are trained each year, reducing turnover and cutting the amount of time it takes for new hires to get up to speed from 12.7 weeks to 10, said a company spokeswoman.

Every year, German business-software giant SAP brings new grads from around the world to the Silicon Valley for a nine-month program on how to sell the firm's software and services.

More than 20,000 applications have been received so far this year for the 322 positions in its sales academy, said Jenny Dearborn, SAP's chief learning officer.

SAP Academy consumes a large share of the software giant's $230 million annual training budget. Ms. Dearborn said, however, that the program already has paid off—more than 90% of its nearly 1,000 graduates are still with the firm, and have proven to be equally or more productive in the metrics SAP tracks as the rest of its more than 87,000 employees.

The academies have also had an impact on SAP's diversity: Women make up 24% of its sales force, but are half of its academy hires.

"Most people don't come out of undergrad the perfect salesperson," said Ms. Dearborn.