

PRE-APPRENTICESHIP PARTNERSHIPS AT CVS Health AN EMPLOYER'S PERSPECTIVE

"I want another apprentice just like her, with a positive attitude and willingness to learn." That's what a pharmacy manager told CVS Health's (CVSH) Julie Hurteau, shortly after hiring one of the graduates of CVSH's pre-apprenticeship training program in Houston.

The young woman was not only well-trained and academically ready to enter the yearlong apprenticeship program, she had the interpersonal skills that are critical for a pharmacy technician in a busy retail environment. The fact that this newly minted pharmacy technician-in-training was ready and willing to learn is no accident. Rather, it is a testament to the careful planning, program design, and relationship building that CVSH and its local partners invest in each of its pre-apprenticeship programs.

As a large, national company with over 243,000 employees, CVSH competes for increasingly scarce technical talent such as pharmacists, nurses, physician assistants, and pharmacy technicians. For over 10 years, CVSH has addressed this challenge, in part, through the use of apprenticeships. As of 2017, CVSH has sponsored over 4,600 apprentices in 12 states. This track record makes CVSH among the most experienced and active employer-sponsors of apprenticeship programs within nontraditional occupations in the United States.

Demand for workers in the highly skilled role of pharmacy technician outpaces supply in some areas of the country. To address this gap, CVSH has begun developing preapprenticeship programs in order to diversify its talent pipeline and build a pool of trained, qualified applicants ready to enter its apprenticeship programs. In partnership with local community colleges, workforce boards, community-based organizations, and others, CVSH's preapprenticeship programs are carefully designed to align with the company's needs and to attract participants from diverse groups that match its customer base. This rapidly evolving approach of using pre-apprenticeship training partnerships in targeted communities—Houston and Dallas are featured here—to attract and train new and diverse pharmacy technician apprentices opens new opportunities for underrepresented participants, while addressing the company's workforce and business goals.

Business Drivers of CVSH's Apprenticeship Strategy

The company's first apprenticeship training program began in 2005, with retail pharmacy technicians, followed by an apprenticeship for retail managers in 2008. At the time, a systemic shortage of experienced pharmacy technicians and retail managers prompted the company's pivot toward apprenticeships. CVSH's apprenticeship programs are led by workforce managers within its national Workforce Initiatives department. In addition to apprenticeship and pre-apprenticeship programs, they also develop and manage other partnership activities, such as clinical experiences, customized recruiting events, and job shadowing.

Historically, over 98 percent of the company's apprentices are retail pharmacy technicians. For CVSH, an apprenticeship training strategy for direct hires opens up a new talent pool of motivated workers who are interested in the role of a pharmacy technician, but not yet trained or licensed. According to Ernie DuPont, senior director of Workforce Initiatives at CVSH.

Apprenticeship is a powerful recruitment and training strategy to help bring diverse talent into our company and offer more expansive career pathways in health care. We have launched innovative apprenticeship models, working with national and local community partners to recruit workers from previously untapped pools.

Stores typically employ six to eight pharmacy technicians, who provide a mission-critical role of assisting pharmacists in filling customers' prescriptions and managing inventory. According to the CVSH job description, its pharmacy technicians "promptly, safely and accurately fill patient prescriptions all while providing caring service that exceeds customer expectations." These positions require formal training, and licensing in most states, in order to perform the job.

In a retail setting like CVS pharmacy, pharmacy technicians must have strong customer service skills and work quickly with 100 percent accuracy in measuring, filling, and recording prescriptions. Nationally, there are nearly 400,000 pharmacy technicians who earn an average salary of \$30,000. Our aging and growing population translates into "faster than average" growth of pharmacy technician jobs from 2014-2024, creating demand from employers like CVSH for 71,000 new pharmacy technicians. CVSH employs approximately 56,765 pharmacy technician trainees,

pharmacy technicians, and lead technicians in its U.S. retail pharmacies. There are opportunities for technicians to advance into supervisory or management roles and, in some cases, return to school to move into professional health care occupations within CVSH, such as pharmacists or nurses.

In order to enter a CVSH apprenticeship, applicants must possess a baseline level of academic, interpersonal, and work-readiness skills. These criteria exclude large swaths of the workforce who lack these skills but have the potential to attain them with training and support. This is where pre-apprenticeship programs fit into CVSH's apprenticeship strategy: hiring an apprentice who is not a good fit costs the company time and money. Pre-apprenticeship programs train, screen, and coach applicants so that those who get hired into the apprenticeship program become more productive employees more quickly than employees sourced through more traditional recruitment methods. They are also more likely to stay with the company for the long term because they have a good understanding of company culture and expectations from the outset.

The Power of Partnerships

Successful pre-apprenticeship programs depend on partnerships with local organizations that have the expertise and networks to recruit, train, and support candidates. The combination of a strong apprenticeship training program and effective partnerships enables CVSH to tap into new sources of talent that may be overlooked by other employers competing for similar talent. The company works with over 2,000 local partners, including 764 education partners nationwide. The partners include education institutions such as high schools and community colleges; communitybased nonprofits and faith-based organizations; federal, state, and local government agencies; and public workforce agencies. These partners may provide candidate referrals, pre-employment or pre-apprenticeship training, technical training, and wraparound support services, while a number of the educational partners offer pharmacy technician training programs.

CVSH and local colleges partner to offer work-based learning externships averaging 128 hours that are typically required for completion of pharmacy technician programs. In the states where CVSH offers apprenticeships, such externships—as well as technical training completed during pre-apprenticeship training programs—are credited toward the one-year apprenticeship program for participating students who are subsequently hired. Since CVSH



pharmacists must invest time in overseeing and guiding new pharmacy technicians' work, having pre-trained technicians can make this on-the-job learning process proceed more quickly, giving new apprentices a head start on completing training and demonstrating competencies, and saving CVSH considerable time and expense.

Like other retail businesses, CVS pharmacy aims to employ a workforce that matches the growing diversity of the communities and customers it serves. In recent years, CVSH has built a network of pre-apprenticeship partnerships in several cities, developing diverse talent pipelines of prospective pharmacy technician apprentices who might not otherwise have had this opportunity as a direct applicant. To accelerate these initiatives, CVSH is partnering locally in seven states on U.S. Department of Labor-funded

American Apprenticeship Initiative grants, with partner states including Arkansas, Michigan, Missouri, Pennsylvania, Rhode Island, Texas, and Wisconsin. These grants have established new partnerships focused on training workers from a variety of underserved groups such as low-income families, people of color, individuals with disabilities, immigrant workers, and veterans. CVSH has now begun to codify the local conditions that set the stage for a successful pre-apprenticeship program partnership. This case study explores the conditions, partnership capabilities, promising practices, lessons, and impacts of pre-apprenticeships with CVSH.

What is Apprenticeship and Pre-Apprenticeship?

Apprenticeship is model of workforce training that allows employees to earn while they learn. These programs generally last from one to six years and include a combination of on-the-job training and formal classroom instruction. Registered apprentices earn progressively increasing wages and an industry-recognized credential. Apprenticeships can be overseen either by the U.S. Department of Labor's Office of Apprenticeship or by a State Apprenticeship Agency, while employers and other sponsors administer individual apprenticeship programs.

Pre-apprenticeship programs are designed to prepare individuals to enter and succeed in apprenticeships. While pre-apprenticeship programs are not federally vetted, quality programs have a strong relationship with at least one apprenticeship program, provide training and curriculum that align with that program, and include a wide range of support services designed specifically to ensure students' success.

Visit the U.S. Department of Labor and read the <u>Training and Employment Guidance Letter 13-16</u> to learn more about apprenticeship and pre-apprenticeships.

Apprenticeship is a powerful recruitment and training strategy to help bring diverse talent into our company and offer more expansive career pathways in health care.

Locating Pre-Apprenticeship Programs

CVSH's early experiences with pre-apprenticeships have helped it identify three important market conditions that signal sufficient need for thriving pre-apprenticeship program partnerships: supportive state apprenticeship assistance, a density of local demand for trained workers, and few existing training programs to meet that demand.

STATE SUPPORT FOR APPRENTICESHIP

Pre-apprenticeship programs, by definition, are designed to feed into apprenticeship programs. Thus, the first consideration for CVSH's pre-apprenticeship programs is where the company can establish and sustain strong apprenticeships. Starting an apprenticeship program is costly and time consuming, and state and federal support are critical. Once a program is up and running, apprenticeship tracking and reporting represents a significant and ongoing company investment, so CVSH must carefully plan entry into new states or regions to ensure it has the resources to effectively manage an apprenticeship program. Each of CVSH's Workforce Initiatives managers tracks and reports on the progress of apprentices across several states, with caseloads of up to several hundred apprentices at a time. Some states, such as South Carolina, provide reporting support and accommodations to lessen the staff time required to track and report apprenticeship data. Mike Romesburg, CVSH's Workforce Initiatives lead manager in South Carolina, notes that "the state adapted to CVSH's system, rather than CVSH having to adapt to the state's system." In this case, CVSH sends the state a report on the state's apprentices generated from its internal system, and state apprenticeship office staff enter updated data into the federal system, RAPIDS, saving the company staff time on additional data entry efforts. This in-kind support, along with tax credits in designated states, lowers the ongoing resource requirements and enables the company to more readily initiate and expand apprenticeship training programs.

LOCAL DEMAND

A significant volume of local demand is required to justify the establishment of a pre-apprenticeship program in a region. Pharmacy technician apprentices must live within commuting distance from the likely work locations, so that a cohort of pre-apprentice program completers have a solid chance to secure a job offer and show up to work consistently. For example, CVSH has conducted preapprenticeship training programs in Metro Detroit, where it has 30 store locations. In South Carolina, where stores are more dispersed geographically, pharmacy technician candidates are sourced via referrals from the state's technical college system programs and online educational partners.

INSUFFICIENT TRAINING CAPACITY

In CVSH markets where there are multiple college pharmacy technician training programs, there may already be an ample flow of trained candidates to meet demand. However, in states like Rhode Island, the company's headquarters state, the scarcity of college pharmacy technician training programs creates a shortage of trained and licensed candidates. In Rhode Island, CVSH addressed the shortage by creating a pre-apprenticeship training program, partnering closely with state officials.

Success Drivers for Pre-Apprenticeship Training Partnerships

CVSH's pre-apprenticeship training partnerships in Texas, described below, illustrate many of the key attributes that drive a successful partnership. The Texas example, combined with interviews with the company's regional Workforce Initiatives managers, suggest practices associated with successful outcomes for the company and prospective apprentices:

 Seek qualified partners willing to invest in learning the employer's needs. CVSH looks for a strong and trusted community-based organization or community college as a partner, with the capabilities to attract motivated and capable workers from a specific area where the company has hiring demand at multiple locations, a willingness to invest in getting to know CVSH and its business and workforce needs, and strong capabilities to provide support services and soft skills training to complement the technical skills training from CVSH. For example, one Dallas Community College program manager spent two days in its stores observing and talking with CVSH pharmacy technicians in their work environment before starting the new program. She was able to translate this first-hand knowledge into providing accurate information to candidates starting at the first



intake session, and to guide the customization of softskills training delivered by college trainers, so that there were few surprises and trainees were well-prepared for the CVSH work environment.

Provide accurate and detailed career information from the beginning. Recruiting for pre-apprenticeship cohorts most often begins with an open house and intake event, where prospective participants can learn more about the training program, the company, and the job, and decide if they want to apply for the program. Jennifer Castellon first heard about the program as a student in her final semester at Houston Community College, when she was trying to figure out what her next step should be: "I didn't know what I wanted to do once out of school, but I knew I wanted a career. I just didn't know where to start." She spoke with a Houston Community College American Apprenticeship Initiative staff member at a recruiting event on campus who explained the pharmacy technician apprenticeship program in detail, answered all of her questions, and provided written material for her to review at home.

Beginning with information sessions, CVSH and its partners attempt to provide comprehensive and accurate portrayals of experiences and expectations in each phase of the program, so that participants can determine if the opportunity matches their skills and interests. "This is especially important for youth, since they often are unsure of what they want to do," says Lena Barkley, CVSH's Midwest Workforce Initiatives lead manager.

Align program recruitment and screening with **company needs.** Partners with detailed information about the company's needs and hiring process can use this information to align the program's application and screening process accordingly, as demonstrated by the Houston Community College partnership. Another CVSH pre-apprenticeship partner, Covenant House Detroit, a youth-focused nonprofit, conducts a readiness assessment of participants' basic reading, math, and computer skills during the program enrollment process to help ensure that participants have the foundational skills needed keep up with the fast pace of the pharmacy technician training program and to perform their work error-free, an essential workplace requirement when filling prescriptions. Interested candidates who score below the level needed for pharmacy technician apprenticeships are guided toward CVSH retail sales associate occupations.

Make enrollment decisions jointly.

For pre-apprenticeship programs serving individual employers, company participation in enrollment decisions helps to ensure alignment in candidate selection between the training partner and the company. In nearly all of CVSH's pre-apprenticeship training partnerships, the company's Workforce Initiatives managers and others participate in interviews and selection of candidates for the program. In the Houston partnership, the company often has up to five CVSH staff members conducting enrollment interviews.

- Prepare participants for a company-specific application process. In many pre-employment programs, including the Texas partnerships, CVSH hiring managers and workforce managers participate in mock interviews to prepare pre-apprenticeship trainees for the actual interviews for open CVSH positions. Like many other companies, CVSH conducts an online screening assessment during the application process (the Virtual Job Tryout). CVSH and its pre-apprenticeship training partners prepare participants for what to expect on this assessment, so that participants can perform at their best on the assessment. After getting this opportunity to prepare, a large majority of pre-apprenticeship program applicants successfully complete the application process, making them more competitive for available positions.
- Engage multiple company sponsors and stakeholders. Most successful and sustainable partnership programs need to cultivate multiple stakeholder relationships within the company. While

CVSH's workforce managers are natural advocates and leaders who develop and anchor pre-apprenticeship training programs, successful partnerships like Houston's also engage store hiring managers and pharmacy technician trainers. CVSH workforce managers ask company trainers to participate in program delivery and actively encourage managers to interview successful preapprenticeship program participants. Some managers and trainers also conduct practice interviews during the program, which serve to build their confidence in the overall quality of the program, and in some cases enable them to scout individual talent for externship placements and hiring when the program concludes. Equally important is engaging multiple stakeholders in partner organizations, a practice that can help to sustain the company alliance if a key partnership manager leaves the organization.

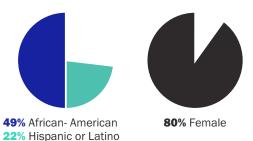
Pre-Apprenticeship Training Partnerships In Texas: A Case Study

In Texas, where CVSH operates in multiple large markets, the company was searching for strategies to widen its talent pipeline for pharmacy technicians. In the Houston market alone, the organization operates 94 stores (including CVSH-operated pharmacies within Target stores), employing over 500 pharmacy technicians. So, when officials from Houston Community College contacted CVSH in 2015 to discuss participating in a new U.S. Department of Laborfunded American Apprenticeships Initiative in Houston and Dallas, company officials jumped at the opportunity. Led by CVSH Workforce Initiatives manager Yani Hurst, the two organizations drew up joint action plans to develop new pharmacy technician pre-apprenticeship training programs in partnership with Houston Community College and also with Richland College, which is part of the Dallas County Community College District.

CVSH promotes the program at events such as job and recruiting fairs, while college partners take the lead with community outreach. CVSH representatives join them to screen and select program participants at "interview day" events that typically attract 30 to 50 candidates for up to 25 slots per class. Program outreach efforts aim to attract diverse, economically disadvantaged populations. According to CVSH's Hurst, "we continue to learn and improve with

A Diverse Talent Pipeline

The Texas pharmacy technician pre-apprenticeship partnerships have succeeded in attracting highly diverse participants. The 2016 program participants in Dallas and Houston were:



Houston Community College Pre-Apprenticeship Program at a Glance

The program includes:

- A 16-week accelerated adaptation of the college's longer certificate program, operated by the school of continuing education; and
- A 128-hour (usually 3-week) unpaid externship in a CVSH retail store, which provides hands-on training and experience.

Candidates who complete the classroom training and the externship, register as a pharmacy technician trainee with the state, and successfully complete the CVS application process, are guaranteed interviews for open pharmacy technician apprentice positions at nearby CVSH locations.

Program Enrollment and Employment Retention for Houston and Dallas Cohorts,

Summer 2016 and Fall 2016

- 41 Participants enrolled
- 39 Completed community college classes
- **33** Obtained state registration/license
- 33 Completed CVSH work-based pre-apprenticeship
- 21 Hired as apprentice at CVSH
- 20 Retained in CVSH employment as of July 2017*

each cohort," especially around the alignment of the training enrollment process with CVSH employment requirements. The company and the college also mesh their program contributions in other ways:

- Houston Community College and CVSH have added new verification and screening processes prior to enrollment, including U.S. work eligibility, previous CVSH employment history, and a background check, after oral affirmations in interviews proved inaccurate in a few cases.
- Near the end of the classroom portion of the program, CVSH staff deliver a presentation about the hiring process. The presentation includes tips for success and examples of questions on the company's hiring assessment (without providing exact questions or answers) that enable participants to understand the purpose of the assessment and complete it at similar rates to more traditionally sourced candidates.
- While participants are at their CVSH externship, college faculty visit several times with them and their CVSH pharmacy managers to check on progress, provide coaching support, and gather information about the CVSH work environment that they can use to further customize the curriculum.

The strong employment retention rates to date for 2016 participants in Texas pre-apprenticeship partnership programs are especially encouraging, notes CVSH's Hurst. High job-retention rates for pharmacy technicians translate into greater efficiency and productivity in filling prescriptions and lower levels of supervisory guidance needed. Program completers understand the specific skills required for the position. Jennifer Castellon, a graduate of the fall 2016 pre-apprenticeship training who currently works in an externship at a Houston CVS pharmacy, feels that her training prepared her well for her job: "You have to be fast and resourceful. You have to stay focused, too."

Julie Hurteau, regional field-training manager and onthe-ground coordinator of the partnership with Houston
Community College, receives an ongoing stream of
performance feedback about new apprentices from store
pharmacists who serve as mentors and also from her staff
of field trainers. She estimates that pre-apprenticeship
program graduates hired into pharmacy technician positions
pick up their duties at a 50 percent faster rate than those
who have not had this prior work-based training. Because
pre-apprenticeship program completers have invested
considerable time and effort in planning and preparing for
this new career, they typically exhibit highly valued attitudinal

qualities and soft skills. Hurteau recalls a pharmacy manager calling her shortly after hiring one of the pre-apprenticeship training candidates with a new request: "I want another apprentice just like her, with a positive attitude and willingness to learn."

Workers to Fill the Talent Prescription

CVSH operates in a ferociously competitive business environment that features both local and, increasingly, online-based competitors. Having training partners who are knowledgeable about the company's business priorities, work culture, and job requirements contributes to successful pre-apprenticeship training programs.

These programs not only build new and diverse talent pipelines, but can also result in apprentices who value the retail work environment and are more likely to stay and grow with the company. In the first six months of her work as a pharmacy technician, Castellon understands her role well. "Our customers are sick when they come to the pharmacy and they need a different kind of attention. I can make a difference in their lives, if even for a little while."

In many American retail businesses, staff turnover of 50 percent or more is generally accepted at the associate level. However, as an employer of highly trained and licensed pharmacy technicians who perform mission-critical roles, CVSH competes for talent with other health care providers, such as local hospitals that operate in a different competitive arena, with corresponding staffing and talent management policies set within professional health care environments.

Attracting and retaining pharmacy technicians who value the fast pace of work in retail stores and who enjoy customer-facing roles is a continuous challenge for CVSH. The company needs pharmacy technicians from within the communities it serves, whose diversity and cultural competencies can bring comfort to equally diverse customers waiting anxiously on the other side of the counter. Pre-apprenticeship partnerships can play a vital role in bridging the needs of diverse community members seeking highly skilled, well-paying jobs, and the business needs of employers seeking to fill the prescription for talent.



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About Equity Partners in Registered Apprenticeship

Under a contract awarded by the U.S. Department of Labor, JFF is serving as an equity partner in Registered Apprenticeship and working to connect women, people of color, and opportunity youth to Registered Apprenticeship programs. JFF has convened a national partnership that includes CVS Health, Hilton, The Hartford, National Association of Workforce Boards, Community College Workforce Consortium, Opportunity Youth Incentive Fund, Upwardly Global, and FASTPORT, as well as regional partners in Chicago, Houston, Los Angeles/Long Beach, and Philadelphia. These employers, community colleges, workforce boards, and community-based organizations, with technical assistance from JFF, seek to advance equity in Registered Apprenticeship by creating stronger referral systems into Registered Apprenticeship programs, creating new pre-apprenticeships or aligning existing job training programs to Registered Apprenticeship, and enhancing services that increase the retention and success of apprentices.



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