

INSIDE HIGHER ED

Is Amazon Training Its Workers or Creating a College Alternative?

The retailer is pouring \$700 million into worker training -- mostly through its own programs. We asked some experts on postsecondary education and training to assess whether Amazon's initiative is threat or boon to higher education.

By [Doug Lederman](#)

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Amazon announced last week that it would spend \$700 million on training its employees, the latest (and perhaps biggest) decision by a company to make a major investment in ensuring that its employees have the skills and knowledge they need to succeed there (and, the company says, perhaps after

they leave -- among the programs it is offering are those in fields such as nursing).

Amazon's announcement is part of a larger move *Inside Higher Ed* and others have been writing about of employers getting (in many cases, back) into the business of educating and training their employees, after decades in which they seemed increasingly content to subcontract that work to the postsecondary education and training ecosystem (running the gamut from community colleges and for-profit institutions to continuing education programs at research universities).

Many of the companies that are investing anew in employee education and training are doing so through those colleges and universities -- but some, including Amazon, are increasingly turning to corporate third parties or building their own structures (like Amazon's Machine Learning University) or classrooms (Amazon will have 60 on-ground facilities).

We asked a group of thoughtful experts a set of questions about whether Amazon's move was reflective of a larger development in the postsecondary education and training ecosystem, and if so, how significant it was.

The prompt was:

Do these moves by Amazon and others to educate their own employees represent a threat to higher education, especially when they choose to bypass traditional institutions? If yes, to what extent? Or do you take the view that this trend is just another development that will require traditional institutions to change what they offer and how they offer it -- and that the higher education ecosystem is up to the challenge, having adapted significantly when required over time?

Their answers, edited lightly, are below.



Dan Ayoub, general manager of education, Microsoft

When 65 percent of the jobs that today's students will hold don't even exist yet, it's clear that the fourth Industrial Revolution is driving demand for skills at a level that is outpacing our current credentialing models. In this atmosphere, universities and businesses who choose to embrace and invest in helping people build the necessary skills for the jobs of the future stand to reap great benefits.

Reskilling programs are a great complement to the training students can get in higher education institutions, helping them build on their degrees and continue their learning journey throughout their career to open new opportunities along the way.

In fact, the recent LinkedIn Learning report on workplace learning showed that 2019 is the year of reskilling. Corporations that invest in mapping/identifying skills gaps and retraining their employees will see improved employee retention and morale. Innovation is inevitable, meaning that individuals who are passionate about being lifelong learners, companies that choose to invest in employee development and agile universities all have the opportunity to

harness the perpetual curiosity and growth that will drive societal innovation going forward.



Andrea Backman, chief employability officer, Strategic Education

Higher education should take note of Amazon's announcement to provide its own employee education program, as more corporations will likely follow its lead. This is a trend that clearly signals that employers are looking for new, more effective ways to ensure employee skills evolve with an organization's needs.

Gone are the days of higher learning institutions operating in separate silos from employers. The blending of education and work, highlighted by Amazon's announcement, will intensify, and higher learning institutions that are nimble and innovative enough to adapt to a fast-changing economy and work force will be able to keep pace.

Keeping pace isn't just about providing employees with relevant course content; it's about offering employees -- adult learners who are juggling multiple responsibilities -- a relevant, flexible and supportive way to learn.

For example, Fiat Chrysler Automobiles (FCA) offers its dealership employees the opportunity to earn a customized degree at no cost through Strayer

University's Degrees@Work program. This employer-higher ed institution partnership helped prove one thing: effective employee education programs help grow revenue, as well as employee retention rates.

This partnership has worked well for three reasons: it's relevant, flexible and supportive. The courses within degree programs are specifically designed to teach skills that support a company's objectives and help employees advance their careers. Employees can earn credits for previous academic work and professional experience, which allows them to accelerate their degree completion, and each employee enrolled in the program is also assigned a student services coach to provide them individual support.

The bottom line is that employers like Amazon know their organizational and employee needs best. They will seek partnerships with the learning institutions that can provide the most relevant course work with the flexible and supportive learning models adult learners need to succeed, or they will do it themselves.



Marie Cini, president, Council for Adult and Experiential Learning

The question posed to us by the editors at *Inside Higher Ed* was binary in nature: Is the recent announcement about Amazon's major upskilling initiative

for its work force a threat to higher education as we know it, or will higher education evolve as it has in the past?

This question was posed in 2012 when the MOOC mania hit its peak. As Yogi Berra would have commented, "This feels like déjà vu all over again."

Recall that pundits were predicting that MOOCs would replace most of higher education within 10 years. Like all hype cycles, we have arrived at a place (only seven years later) in our educational landscape where MOOCs have found their value and place in some interesting use cases, but they have hardly replaced the university as we have come to know it.

This year will likely become known as the "year when we thought Amazon would take over higher education." I will go out on a limb here and predict that in seven years (2026) we will look back with a similar conclusion -- Amazon will have impacted postsecondary education in a number of ways, but Amazon will not replace our higher education models.

This is hardly the first time a major employer has invested in upskilling its employees. Google and McDonald's have been actively involved in such initiatives for several years. Smart companies are investing in their employees because in a tight labor market it's a strategic decision to try to attract and retain the necessary work force. None of these employers are trying to replace postsecondary education; they simply need it move more rapidly and create new models for the reality of today's work force. Higher education should be listening; many institutions already are.

What is different about the Amazon initiative is the sheer scale and breadth of the thing -- like all things Amazon, when they talk, we listen. They are simply too big to ignore and have too much of an impact when they make a major move like this.

Smart postsecondary institutions are already changing to better serve today's adult learners. These colleges and universities will likely clamor to work with Amazon to be part of the solution -- which will help those institutions grow. Amazon needs postsecondary education providers -- Amazon can't offer degrees without them. Those IHEs that aren't part of this initiative will learn from it and seek other companies for similar partnerships.

Postsecondary education is always evolving, and those poised to thrive and grow in the future are learning to serve the adult working learner. Amazon or not, the smart bet is to become part of the new ecosystem to create lifelong learning solutions for the adult working learners who will spend a much longer time in the work force and who will need to upskill far more frequently than past generations,

Will Amazon upend the university as we know it? No. But if successful, their move will impact postsecondary education in a number of ways and help shape its evolution in the following ways:

Training and education will be linked together closer than ever -- something that higher ed has been lukewarm about embracing. But for most people, training and education are part and parcel of the broader category of "learning" -- and an artificial distinction between training and education is becoming more difficult to defend. We all need a variety of skills as well those habits of mind and power skills like critical thinking, ethical decision making and communication to be successful in our lives.

Amazon will be a trendsetter, and more employers will follow suit in order to remain competitive for strong talent. We are likely to see more of these types of announcements in the months and years to come.

Importantly for the organization I lead (the Council for Adult and Experiential Learning) -- this move will shed light on adult working learners -- the very core of our work force -- who need to have lifelong learning opportunities across their career. The more pathways that can be developed, the better for adult working learners.

I hope that *Inside Higher Ed* will return to this question in 2026 and ask the same group for a retrospective analysis of the impact that Amazon has had on higher education in those seven years. We'll all be watching this move closely for years to come.



Cathrael Kazin, managing partner, Volta Learning Group

As Amazon goes, so goes ... Amazon. Its sheer scale, resources, impact and penetration into every possible crevice of our lives, work and technology are unparalleled -- though not for lack of trying by other players. Does this mean that Amazon's recent announcement has no significance beyond Amazon? Quite the opposite. It means that the potential for seismic disruption in postsecondary education and training is gigantic. And it's about time.

Maybe this will finally kill the old canard that higher education should remain separate from -- even shielded from -- the world of work. Maybe we will stop taking seriously such bromides as "the point of college isn't job training, it's

about teaching people how to think.” Whatever we tell ourselves, the facts remain: too many students arrive unprepared for college and leave unprepared for the workplace, not to mention the future of work. They didn’t learn how to think after all -- even the half who made it to graduation.

Against this backdrop, Amazon’s announcement is a giant wake-up call. Of course many colleges are already wide-awake, exploring new approaches, like project- and problem-centered learning, that build bridges between work and learning, not reinforce the moat. At their best, these models actively promote student agency and self-direction. They equip students to articulate what they know and can do, not just what courses they took. But let’s be honest. These models remain exceptions and are often fiercely resisted from within the higher ed community, accused of being narrowly vocational or, even worse, instrumentalist.

Yes, Amazon itself has much to answer for; we can be confident, for example, that the fulfillment pickers protesting warehouse working conditions and the techies at HQ will not share equally in the \$700 million training largess. But it’s too easy to criticize Amazon -- and it doesn’t let colleges and universities off the hook. Because the message to higher education is clear: if you do not change, the future of learning will simply go on without you.



Dale Leatherwood, co-founder, ClearDegree

Do these programs pose a threat? Currently they are a threat at the edges, as these investments are often only as good as there is revenue to support it. Once the economy inevitably turns, many of these training programs will (again) go by the wayside. But yes, in the short term it will certainly keep many of these employees from seeing the need to pursue the "traditional" alternative at a local two- or four-year college.

I foresee a more definitive long-term impact, however. What happens when Amazon decides to use credentialing and/or degree offerings as a revenue opportunity, as tech firms (Cisco, Microsoft) and hospitals have been doing for years? Where in the world could the average student get a better education on operations, supply chain, logistics, technology or pretty much any tangible business subject than at Amazon?

Are there better places to learn training and personnel management than at Uber or Walmart?

If you learn the material from the best companies in the field and can prove it objectively (à la NCLEX exam or a coding exercise), then will anyone care that you went to Amazon University as opposed to a local accredited college? What about Amazon University versus an accredited online college that the person doing the hiring had otherwise had never heard of?

I could imagine Walmart, Apple, Amazon, Uber, et al. doing the same thing that soccer clubs currently do around the world. Teams have hundreds in youth leagues, and at the right time the players either make it to the first team or get sold off to other clubs. The teams ensure that their personnel are training in a best-in-class environment, allowing them to "grow their own" more efficiently or recoup their investment by selling the excess. I'm sure lots of places would be happy with an Amazon-trained supply chain manager.

Colleges and universities will try to be the conduit by which these programs are developed and/or delivered. But does anyone think that a typical college without scale can live on the margins that Amazon's third-party warehouses or Apple's overseas manufacturers have to live with? Good luck with that -- I don't care how many adjuncts you bring on board.

Colleges with resources will have to bite the bullet and decide on a dramatically increased emphasis on their non-Title IV strategy. Otherwise one day Prime Day may also be graduation day for some of their potential students.



Johann N. Neem, professor and chair of history, Western Washington University; author, *What's the Point of College?*

Amazon's [recent announcement](#) that it will provide job training and apprenticeship opportunities to its workers should be received as good news for American colleges and universities. That's because many of the fastest-growing and highest-paying sectors of the economy demand highly skilled technical workers, but not necessarily college-educated workers. Yet, absent sufficient opportunities for technical training and apprenticeships, colleges and universities are being asked to be the primary site for job training. If more employers follow Amazon's lead, four-year colleges and universities can be

liberated from this burden and focus once again on their primary mission: liberal education and basic research in the arts and sciences.

In recent years, the “college for all” mantra dominated American thinking. In the absence of other good options, Americans went to college whether they wanted to be there or not. Many of these students spent four years (or more), and lots of money, earning degrees that they did not want or need. Worse, too many dropped out with [large student debt burdens and no degree](#). For these students, we should welcome alternative pathways to the middle class.

The impact on institutions has been as significant as on individuals. As policy makers turned to colleges and universities to train the work force, and as employers did the same, colleges and universities developed all kinds of technical and vocational majors that were tangential to their mission. The result has been confusion over what college is for. As pressure to provide direct job training increased, colleges and universities invested more in job-related degree programs at the expense of the core academic subject areas.

If Americans had alternatives, colleges and universities would be relieved of these pressures. Instead of being curricular food courts, with majors for every kind of job, they could trim their offerings to what is essential to their mission: providing a liberal education for all undergraduates and professional education only in those fields (such as engineering, law, medicine) that rely primarily on the arts and sciences.

Ideally, a college education is something distinct from technical education. Colleges and universities are places where the life of the mind is the highest priority -- where seeking knowledge about the human and natural worlds matters more than anything else. But colleges and universities have strayed far from offering this kind of intellectual adventure for students.

The big question, then, is whether, if more employers follow Amazon's example, America's colleges and universities will welcome the chance to reinvest in their core mission. I hope so.



George Siemens, professor; executive director, Learning Innovation and Networked Knowledge Research Lab, University of Texas at Arlington

The move by Amazon to educate their employees outside of the university system is both an indication of the growing need for ongoing learning and the failure of the higher education system to anticipate and respond to prominent trends around the knowledge needs of modern society.

Universities have faced enormous pressure recently as state support has declined and questions about the value of a high-cost university degree move into public conversation. From a multidecade lens, universities saw tremendous growth post World War II as education became an important criterion for employment. Once demographics leveled off, universities found a partial replacement in pursuing the international student population. As that student population leveled off, some programs found economic value in online learning programs.

The large reskilling needs anticipated within the American work force over the next decade present another opportunity for universities. However, reskilling is a granular process, unlike traditional degree programs. Early offerings by

Coursera and edX mirrored university programs in duration and focus. They found it difficult to generate revenue with this model and have recently moved to shorter course formats and on topics that are more relevant for the labor market.

Quite simply, the technological and pedagogical infrastructure of universities do not allow them to readily respond to the needs of the reskilling population. This is an indictment of how slow universities have been to realize that learning needs are evolving and that the traditional 17- to 23-year-old full-time student is no longer the primary profile of a student. A survey by Kaggle a few years ago found that up to 59 percent of data scientists developed their skills through MOOCs or self-regulated learning. Why? These programs weren't being offered in a flexible format for students -- the admissions process didn't recognize skill-based learning needs of a labor market in rapid transition.

Universities will need to make some difficult choices around either expanding their mission to include the full range of learning needs in today's economy, such as reskilling (and it's worth noting that faculty are not agreed on whether this is a mandate for a university), or remaining focused on the traditional idea of a university and its role in society. To date, I have seen neither the vision nor the will for universities to transition to better reflect the lifelong needs of individuals in a digital knowledge economy.



Peter P. Smith, UMUC Orkand Endowed Chair, University of Maryland Global Campus; author, *Free-Range Learning in the Digital Age: The Emerging Revolution in College, Career and Education*

Disruption teaches us several important lessons. Chief among them is, in a disruptive environment, an institution's historic strengths become the seeds of its future failure as the context (environment) in which it operates changes dramatically. With this in mind, the questions are the right ones, though I want to include a deeper and more inexorable problem that is pertinent to this issue as well.

The available pool of learners going forward has two critical and different characteristics from those matriculating historically. The pool is aging at a rapid rate while the ebbing number of traditional-aged students will increasingly be from the historically marginalized populations that higher education has historically failed to serve and, when it has tried, to serve successfully.

This means that colleges and universities face a multifaceted set of challenges, which, while underscored by the Amazon decision, are more widespread and deeper than this single event.

- Amazon's approach exposes multiple weaknesses in the traditional academic delivery model, including a) the availability of high quality nonacademically sourced learning and training experiences, which are b) responsive directly to the needs of the employer and c) sufficiently qualitative to meet their needs and gain general respect while d) being delivered at a lower cost.
- While Amazon's sheer scale makes a largely in-house solution possible for them, smaller businesses can achieve similar results by working closely with emerging entities that can deliver the same value through a contract. So, the in-house versus contracted service distinction will not maintain over time. The core question is how will this new, emerging marketplace, driven by new

technologies and data analytics, work with colleges and universities and vice versa?

- These changes leave the traditional college model at risk whether one is considering B2B programs, direct services to a changing student population or a combination of both. The wave of change is upon us and, as I once said when discussing innovation and change, if you want to surf, you've got to get ahead of the wave.
- Will colleges:
 - allow learners to come and go over time as their needs and life circumstances dictate, instead of requiring "straight line" participation?
 - create evidence-based assessments, as opposed to sequenced courses, thus encouraging rapid adaptation of content to employers' and employees' needs?
 - relax residency and transfer requirements to include experiential assessments and validation of more formal learning from noncollegiate sources such as boot camps and Amazon's offerings?
 - Improve the explicit connection between their curriculum and evidence-based assessments and actual job requirements?
 - Provide a customer-service/advising environment which is learner-centric and learner-friendly?
 - Price their noncampus and technologically enhanced services based on their true costs, resisting the tendency to load campus-based overhead on top of the true costs?

The answer to *Inside Higher Ed's* questions is "It remains to be seen." There will be some of both. But this we do know: most colleges that stand still or try the traditional scope of adaptations without rethinking their economic and academic models will be in trouble. Why? Because this time around, they do not control the causes and sources of disruption and therefore they do not control the forces driving change.



John Warner, blogger, *Inside Higher Ed*; author, *Why Can't They Write* (Johns Hopkins University Press)

Last week Amazon announced its intention to invest \$700 million to upskill 100,000 of its own employees.

Amazon's focus is on tech-related training -- software engineering, IT, cloud computing -- because they anticipate needing employees for jobs such as data mapping specialist, data scientist, solutions architect and security engineer.

Obviously, it's early yet, and I am under no illusion that Amazon is any kind of benevolent organization, but this strikes me as a good thing for Amazon's employees.

I also don't see it as any threat to our nation's postsecondary education institutions. In fact, I think if it's the sign of a trend of corporations investing in employee training, it could be a good thing for our postsecondary education institutions.

I have heard tell from people of my parents' generation (my folks graduated college in 1962), that postgraduate training was done as a matter of course when getting into business. Armies of young men would arrive at companies like IBM with their English or history or political science degrees, transcripts

larded with their “gentleman’s C’s”; they would be taken under the corporation’s wing and shown the ways of business machines, launching a life of employment, security and prosperity.

We now better recognize that the American dream has been denied to individuals who do not resemble those promising young (overwhelmingly) white (almost exclusively) men. It is not incidental that this same era featured free or nearly free college. Public higher education was viewed as a public good as long as it was primarily benefiting a particular part of the public.

This has obviously changed over the generations. Alaska is about to do lasting damage to its universities in the name of a one-time payout of a couple thousand dollars to its citizens. Something similar has been happening in slower motion in many other states. Perversely, even as public support has dropped, the belief that colleges should be focused on training graduates for specific careers has increased.

The tension between education and training is difficult to reconcile, and now that it’s clear that higher ed can’t be all things to all people, I would argue that leaving training to corporations is a good thing. Let educational institutions educate.

Amazon is notoriously difficult on employees, from the warehouses where they are tracked constantly and not even allowed bathroom breaks, all the way up to the white-collar positions, but in general, when corporations invest in training their employees, it tends to be good for those employees. I wouldn’t put it past Amazon to include some kind of clause where employees have to retroactively pay for any training previously provided for free if they leave the company, but when a corporation invests money in a resource, they are incentivized to make better use of that resource.

Some see this as a threat to traditional postsecondary education institutions, a poaching of potential new marketplaces for higher ed, and, if successful, potentially encouraging Amazon to disrupt undergraduate college itself.

I don't see this as likely, at least not on a broad scale. If there are existing educational functions of colleges and universities that can be successfully taken over by corporations, so be it. MOOCs didn't work on a grand scale and were never going to, except at the margins. There is no killer innovation that will miraculously materialize. Those who believe this is possible are those most willing to reduce an education to content delivery on the way to a credential, and education is simply not more complicated than that.

I also don't think Jeff Bezos is foolish enough to involve himself in such an unpromising market.

This *may* mean fewer people choosing college if there is an attractive option offered through some corporate training program. This seems like a perfectly good outcome to me. I also think over time corporations will recognize that trainees who come with the experience of a two- or four-year degree will prove advantageous.

My hope is that if corporations return to training their employees, postsecondary institutions can return to educating them.

Amazon is investing in training now because employment is strong and they must develop the work force available to them, rather than relying on workers themselves to pay for their own upskilling.

This is an opportunity to also reinvest in education as a public good, to provide a bulwark against inevitable future downturns. Unfortunately, as Alaska shows, we're heading in the other direction. It's incredibly shortsighted. In this case, we should be more like Amazon and invest while the investing is good.

Read more by [Doug Lederman](#)

https://www.insidehighered.com/digital-learning/article/2019/07/17/perspectives-field-amazons-big-dollar-entry-training-workers?utm_source=Inside+Higher+Ed&utm_campaign=5f12a2352f-DNU_2019_COPY_01&utm_medium=email&utm_term=0_1fcbc04421-5f12a2352f-200040001&mc_cid=5f12a2352f&mc_eid=20a6b0e480