#### ETHICAL USE OF INTERNS

All PRSA members pledge adherence to the Society's <u>Member Code of Ethics</u>. As issues arise relating to the practice of public relations, the PRSA Board of Ethics and Professional Standards (BEPS) is charged with providing guidance on such issues within the framework of the Code provisions. The PRSA Board of Directors then announces these guidelines through this series of professional standards advisories. These guidelines are for informational purposes only and not for the purpose of providing legal advice. Please consult an attorney to obtain legal advice regarding your specific situation. The <u>PRSA Member Code of Ethics</u> can be found online at www.prsa.org.

**ISSUE:** Unpaid internships remain widely available in the American workplace. There are federal rules to guide employers on when an internship may legally be unpaid. This Professional Standards Advisory (PSA) addresses the ethical implications regarding internships in public relations firms, businesses, government agencies and anywhere public relations internships are possible. Students and those making career changes have likely had at least one internship, and the experience can serve as a valuable opportunity for gaining needed experience and landing a future job.

Employers value work experience when hiring. Job candidates who wish to be competitive willingly accept unpaid positions to gain work experience. This raises questions for both the employer and vulnerable job seekers. The question for employers is, "Does the position being offered meet the legal standard set by federal law for an unpaid internship?" For the student, the question is, "Can the internship be a significant career builder as opposed to just a mindless activity that provides little or no immediate academic or work experience?" For both parties, there are ethical questions to consider.

#### BACKGROUND

#### 1. Federal Law

The <u>Fair Labor Standards Act</u> (FLSA) prescribes standards for the basic minimum wage and overtime pay employers must pay for covered employees who are not otherwise exempt. The FLSA defines the term "employ" very broadly as including to "suffer or permit to work." This definition would ordinarily include interns; however, in the 1947 *Walling vs. Portland Terminal Company* case, the U.S. Supreme Court found that an individual who works without promise or expectation of compensation, but solely for personal purpose or pleasure, was outside the scope of the FLSA. Subsequently, the U.S. Department of Labor

(DOL) issued six guidelines for determining whether an employer must pay interns for their work. The guidelines are as follows:

- The internship, even though it includes actual operations of the employer's facilities, is similar to that which would be given in an educational environment.
- 2. The internship is for the benefit of the intern.
- 3. The intern does not displace a regular employee, but works under the close supervision of existing staff.
- The employer that provides the training derives no immediate advantage from the activities of the intern and, on occasion, its operations may be impeded.
- 5. The intern is not necessarily entitled to a job at the conclusion of the internship.
- 6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.<sup>ii</sup>

If *all* of the above criteria are met, then the internship falls outside of the scope of the FLSA, and the internship may be unpaid. Otherwise, your intern may be considered a "covered employee" under the FLSA, subject to applicable minimum wage and overtime requirements.

The DOL guidelines, established more than 60 years ago, have been amended over time. The original guidelines applied mostly to blue-collar workers. Today's internship is considered a white-collar educational opportunity, mostly applicable to professional or executive employees, and it serves as a gateway to future jobs.

# 3. State Legislative Rules

 "California and some other states require that interns receive college credit as a condition of being unpaid. But federal regulators say that receiving college credit does not necessarily free companies from paying interns, especially when the internship involves little training and mainly benefits the employer."

Prior to starting an internship program, make sure that your program meets state law requirements as well as federal law requirements.

### 4. Student Factors

- The experience: Is the student getting an educational opportunity beyond the drudge work that includes menial tasks such as making copies and filing?
- <u>Hidden costs</u>: Earning college credit for fulfilling an internship may incur a cost to students.

- Intern abuse: There are unethical employers who misuse interns.
- <u>Economic mobility</u>: When low-income students are self supporting and need to be paid for their work, their options are limited by the large number of valuable, unpaid opportunities.
- <u>Silent suffering</u>: Interns whose status may be abused may be reluctant to complain while performing increasingly responsible and significant work.
   Interns might fear that they may be cast as troublemakers and that this label could follow them throughout their professional careers.

#### 5. Institutional Factors

- Educational institutions are increasingly reluctant to grant course credit, except where the internship is truly educational.
- Some institutions require students to complete an internship as a graduation requirement. These internships have to meet stringent academic requirements.
- Internships can involve long hours, no pay and grunt work but can still provide a rewarding experience.

## 6. The Public Relations Internship Environment

- Public relations internships are widely available now. As the public relations major grows in popularity across the nation, so will the competition for entry-level positions."
   This makes internship experiences much more valuable in an entry-level individual's résumé. An ethical public relations organization is equally challenged when hiring interns and must be dedicated to providing a good educational experience, especially if the internship is unpaid.
- The employer and the intern need to develop an approach to the work that benefits both.
- When paying an intern is not possible, make sure the internship adheres to all of the DOL guidelines and look for creative means of compensation and reciprocation.

**RELEVANT SECTIONS OF THE PRSA CODE:** At least three Code provisions and four professional values relate to this issue. They are:

### **Code Provisions**

**Free Flow of Information:** Preserve the integrity of the process of communication. Be honest and accurate in all communications.

**Disclosure of Information**: Be honest and accurate in all communications. Investigate the truthfulness and accuracy of information released on behalf of those represented. Reveal the sponsors for causes and interests represented. Avoid deceptive practices.

**Enhancing the Profession:** To build respect and credibility with the public for the profession of public relations. Report ethical violations, whether committed by PRSA members or not, to the appropriate authority.

## **Professional Values**

**Advocacy:** We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts, and viewpoints to aid informed public debate.

**Honesty:** We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.

**Expertise:** We acquire and responsibly use specialized knowledge and experience. We advance the profession through continued professional development, research, and education. We build mutual understanding, credibility, and relationships among a wide array of institutions and audiences.

**Fairness:** We deal fairly with clients, employers, competitors, peers, vendors, the media, and the general public. We respect all opinions and support the right of free expression.

**EXAMPLES OF IMPROPER PRACTICES** (Hypothetical examples provided to recognize the fairness of unpaid internships):

- You are a sole practitioner and have five clients. You contacted a local university's public relations department and agreed to hire two interns over the summer. While the internships are unpaid, the student will get credit. You charge the clients for the work these interns do.
- A for-profit company hires unpaid interns to help them get college credit for their graduation requirement. The interns perform work generally done by employees. In lieu of payment, the students receive "opportunities and connections" as compensation.
- Interns are asked to do unethical tasks, *e.g.*, writing phony product reviews for websites, contacting a client's competitor and pretending to be a consumer or customer, etc.
- You promise an intern that he/she will build writing skills while they're
  working with you but as soon as they're on board, they produce electronic
  press kits, update a database and answer phones, gaining little
  experience that will be helpful in advancing knowledge of public relations.
- A prospective client questions your company's ability to handle a special project because of your small staff. You instruct three interns to join you in a follow-up meeting with the prospective client and create the appearance that they are full-time staff dedicated to the assignment.

# RECOMMENDED BEST PRACTICES:VI

- 1. The internship complies with federal and state requirements.
- 2. All internships are paid if "real" billable work is accomplished.
- 3. If an internship is unpaid, it meets all DOL guidelines.
- 4. The ingredients of a successful intern experience are built into the process from the start:
  - The work is an integral part of the student's course of study.
  - The student receives experience relevant to a career in public relations.
  - The student prepares a report of his or her experiences and submits it a faculty supervisor.
  - The intern is supervised by a knowledgeable staff member who takes seriously a responsibility to provide a productive learning experience.
  - For those institutions having formalized internship programs, written documentation should state that the internship experience is educationally relevant to or fulfills a student's course of study. For institutions not having a formalized internship program, the above mentioned guideline should also apply.

PRINCIPAL BEPS AUTHOR: Francis C. McDonald, Ph.D., APR

<sup>&</sup>lt;sup>1</sup> See Walling v. Portland Terminal Co., 330 U.S. 148, 67 S. Ct. 639, 91 L. Ed. 809 (1947); see also Steven Greenhouse, The Unpaid Intern, Legal or Not. The New York Times, April 2, 2010.

<sup>&</sup>lt;sup>ii</sup> Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act, U.S. Department of Labor Wage and Hour Division (April 2010)

Steven Greenhouse, The Unpaid Intern, Legal or Not. The New York Times, April 2, 2010.

<sup>&</sup>lt;sup>iv</sup> Questioning the Ethics of Unpaid Internships. *National Public Radio*. July 13, 2010.

V About Young Professionals, The Nashville PRSA Chapter, http://www.prsanashville.com/young\_professionals, 2007

vi Rochelle K. Kaplan, Legal Counsel, National Association of Colleges and Employers, 62 Highland Avenue, Bethlehem, PA 18017, (800) 544-5272, Ext. 10.