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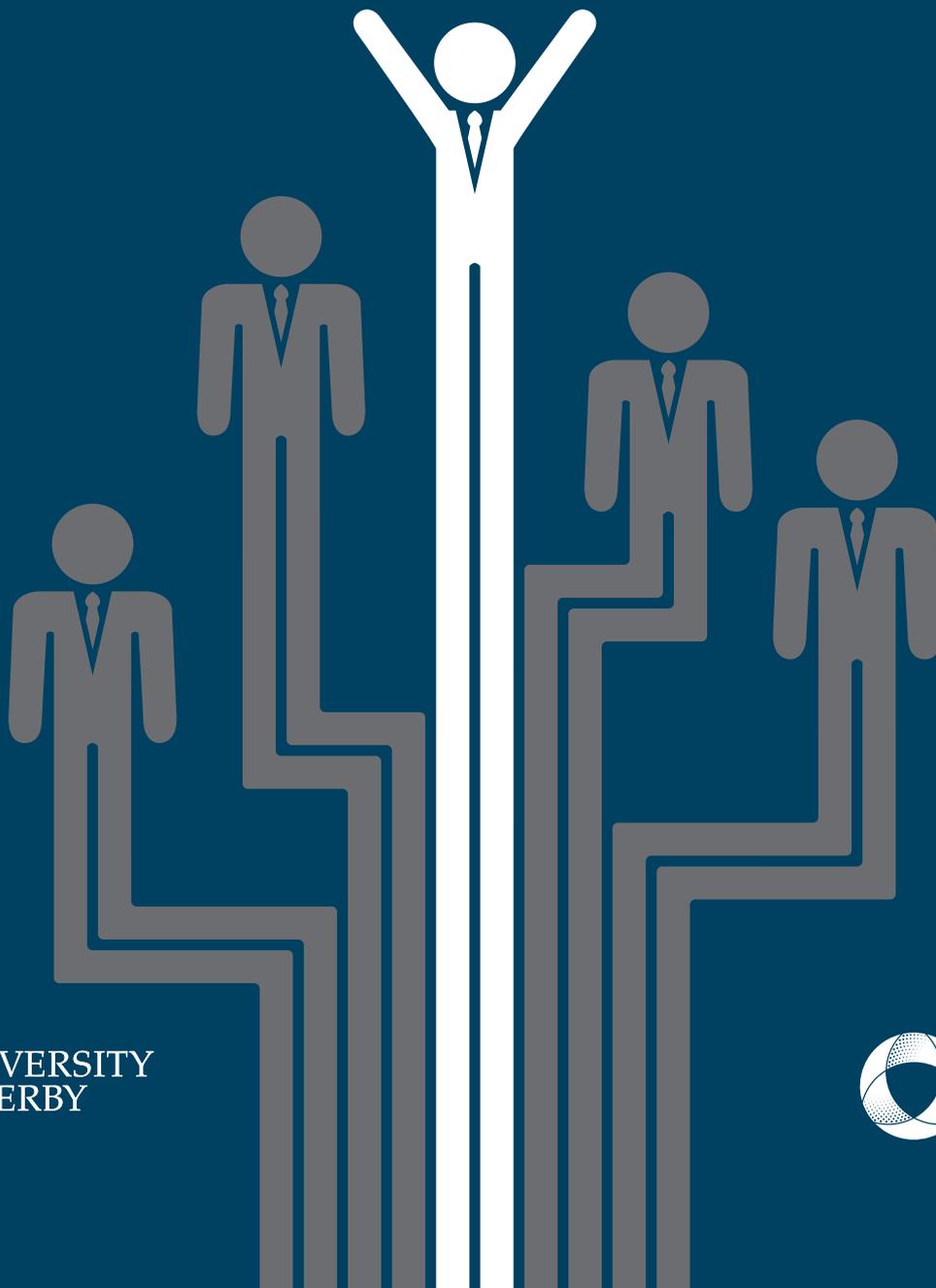
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Employers' Experience of Higher Apprenticeships: Benefits and Barriers

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The International Centre for Guidance Studies (iCeGS) is an applied research and professional development centre at the University of Derby with expertise in career progression and employability, career work in schools and young adults in higher education, vocational training and workforce development.

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Executive Summary

This report explores employers' experience and understanding of Higher Apprenticeships. It is based on a survey of almost 200 employers and follow-up interviews with eleven companies. The findings suggest that there is strong support for Higher Apprenticeships amongst employers although there are many employers who have yet to engage with the programme. Employers that have implemented Higher Apprenticeships report a range of business benefits.

Higher Apprenticeships are a form of work-based training. They allow individuals to combine working with learning job relevant skills and knowledge and result in a formal qualification (at level 4-7). Higher Apprenticeships are sector specific and take different forms in different companies. They have existed in very small numbers since the *Apprenticeships, Skills, Children and Learning Act 2009*. Expansion was not encouraged until 2011 when the Coalition government announced the creation of a £25 million fund to support Advanced and Higher Apprenticeships and they have been strongly supported by the government ever since.

Employers' skills needs

51% of employers who responded to the survey said that they had difficulty recruiting the skills that they needed even though most were already recruiting both apprentices and graduates. Smaller companies found it more difficult to find skilled workers than larger companies.

Introducing Higher Apprenticeships

There was a real interest in Higher Apprenticeships but only a third of respondents had actually introduced the programme in their company. Employers were clear that appropriate funding has to be in place to underpin Higher Apprenticeships. They also reported that introducing Higher Apprenticeships would help them to:

- attract better staff;
- recruit staff who fit in to their organisation;
- enhance their company's skills base;
- improve retention, and
- achieve a range of other business benefits.

A Technical Skills Development Manager at a major Automotive Company stated that *'both graduate training schemes and apprenticeship programmes are needed. The programmes serve different destinations in the business.'*

Barriers to Higher Apprenticeships

Employers described a range of barriers and challenges that had mitigated against the introduction of Higher Apprenticeships. These included:

- the cost of introducing a Higher Apprenticeship programme;
- the challenge of making a business '*higher apprentice friendly*', and
- finding appropriate apprenticeship frameworks and training providers.

One Professional Development Manager in a Construction Company said that '*there are no frameworks or standards available to us in our sector.*'

Embedding Higher Apprenticeships

Companies that had successfully embedded Higher Apprenticeships had typically:

- sought out and found information from a range of stakeholders;
- developed an approach to recruitment which enabled them to identify and select the best apprentices (including promoting people internally);
- set up management processes to ensure that higher apprentices are well supported and able to progress, and
- developed effective partnerships with training providers.

An IT Director responsible for apprenticeship programmes at an international IT company recognised the value of Higher Apprenticeships because '*embedding Higher Apprenticeships meant we were able to train people in very specific skills required by the business.*'

Acknowledgement

The research team is grateful to the employees in the almost 200 companies that participated and the many training providers and business associations that supported and made this research possible.

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1. Introduction

Apprenticeships were first established in England in 1563 with the Statute of Artificers and remained the dominant form of work-related training up to the 1960s. In 1964 when the Industrial Training Act was passed and the Industrial Training Boards were established the emphasis was placed on improving the quality of training and on addressing the problem of real craft skill shortages. At that time the Industrial Training Boards were administered by employers and trade union representatives and covered most of the large industrial employment sectors including some 15 million workers (Wolf, 2002; Lee, 2012).

Since then the apprenticeship system in England has undergone frequent reforms. Most recently we saw the introduction of Modern Apprenticeships in 1994 which were subsequently replaced by Apprenticeships in 2004. Throughout their history apprenticeships have been about the development of practical skills and the underpinning knowledge required for work. The balance of informal and formal learning and how much takes place on-the-job or in the classroom has varied across the different forms of apprenticeship (Lee, 2012).

Higher Apprenticeships, which are the focus of this research, existed in very small numbers since the *Apprenticeships, Skills, Children and Learning Act 2009*. In 2011 the government encouraged growth when it announced the creation of a £25 million fund to support up to 10,000 Advanced and Higher Apprenticeships. Higher Apprenticeships, like Intermediate and Advanced Apprenticeships, combine on-the-job training with studying towards a qualification. Intermediate Apprenticeships lead to a level 2 qualification (equivalent to a GCSE) and Advanced Apprenticeships to a level 3 qualification (equivalent to an A-Level).

Higher Apprenticeships are available at a range of levels from the equivalent of the first year of a foundation degree (level 4) to the equivalent of a postgraduate degree (level 7) (NAS, 2014). The level of a Higher Apprenticeship is linked to the job role and is determined in part by employers' needs and in part by the availability of an approved apprenticeship framework or standard. Standards will gradually come to replace frameworks. Standards unlike frameworks are developed by employers through Trailblazer groups and approved by the Department for Business Innovation and Skills. While Higher Apprenticeships cover levels 4-7 the majority of approved frameworks are at level 4 and consequently this is where this research was focused. However, in March this year a specialised type of Higher Apprenticeship known as a Degree Apprenticeship was rolled out which leads to a level 5 or higher qualification. Given this it is likely that level 5 Apprenticeships will become increasingly common.

Higher Apprenticeships take different forms in different companies. In some companies Higher Apprenticeships take up to three years, starting at Intermediate level 2 and taking the apprentice up to level 5 where they then can go on to do a degree at level 6. Examples of this integrated approach where different levels of Apprenticeship are offered sequentially were found in Project Management in

Maritime Services, Engineering in Military Air and Information and in Aerospace Software Development.

In other companies Higher Apprenticeships were seen as a progression route following the completion of an Advanced Apprenticeship for those apprentices that wanted to progress and had the potential to follow a higher qualification. In these instances Higher Apprenticeships build on previous training and may take a year or two depending on-the-job role the apprentices are training for. For example respondents reported that a Higher Apprenticeship in Human Resource Management may take a year while a Higher Apprenticeship in Maintenance and Electrical Engineering tends to take longer. Some apprentices progressed within the company while others were recruited directly onto a Higher Apprenticeship programme.

Employers are relatively free to embed their own Higher Apprenticeships but there are specific criteria that have to be followed. The Specifications of Apprenticeship Standards for England require, for example, a minimum of 90 credits for level 4 and 5 and of 120 for level 6 and 7, a minimum length of 12 month, minimum employment of 30 hours a week and a signed apprenticeship contract (DBIS, 2015). Training providers and the apprenticeships they deliver are inspected by Ofsted (Ofsted, 2014).

Recent policy

The government introduced Higher Apprenticeships to open up progression routes for further learning at a higher education level and to provide employers with an opportunity to develop the performance and productivity of their workforce (DBIS, 2010). Initially, Higher Apprenticeships only engaged a small number of apprentices but the numbers rose steadily from 2,200 Higher Apprenticeship starts in 2010/11 to over 18,000 in 2013/14 (Lee, 2012; NAS, 2014).

In February 2012, at the start of the National Apprenticeship week, the government announced that a further £6 million would be made available to fund Higher Apprenticeships places up to degree level in 2012/13 (DBIS, 2012). At the same time £250 million would be given directly to businesses to take control of the way skills training is delivered and apprenticeship grants of £1,500 would be made available for small businesses (DBIS, 2012). In 2013 the government committed to providing an additional £40 million to fund 20,000 new Higher Apprenticeship starts between 2013/14 and 2014/15 (NAS, 2014).

The Richards Review of Apprenticeships in 2012 set out the vision for the future of apprenticeships that was adopted by the government in *The Future of Apprenticeships in England: Next Steps from the Richard Review* (DBIS, 2013). Many of Richards' recommendations were adopted by government with a particular focus on encouraging employer engagement in developing standards and overseeing the design and development of the assessment process. To encourage employer involvement Trailblazers were introduced. This is a government initiative whereby a group of representative employers in different industrial sectors are

tasked with defining apprenticeship standards and assessment.

The government sought to engage employers by giving them more control of the development of Higher Apprenticeships standards as well as providing subsidies. This employer-led approach has gained the support of many employer associations as it freed companies to develop optimised occupational standards in apprenticeships that are suitable to specific industrial sectors.

The Association for Employment and Learning Providers, for example, stated that employers, *'should have the freedom and flexibility to design a framework that is fit for purpose and consummate with the needs of their sector'* (AELP, 2013: 1). Adam Marshall, Director of Policy at the British Chamber of Commerce was also supportive of an employer-led approach. Commenting on the *The Richards Review*, Marshall said in 2012 that making apprenticeships *'responsive to the economy by making them employer-led'* was the right focus.

Given the current Conservative government's focus on apprenticeships it seems likely that Higher Apprenticeships will continue to grow. Employer engagement with Higher Apprenticeships is critical for this growth and the wider success of an employer-led approach to skills. Consequently, this research explored employers' experience and understanding of Higher Apprenticeships.

Research methodology

This research was undertaken by researchers in the International Centre for Guidance Studies at University of Derby in partnership with Pera Training and funded by the European Social Fund and the Skills Funding Agency. It is based on a survey with 190 employers and eleven in-depth follow-up interviews with organisations across England.

The aim was to explore employers' experience and understanding of Higher Apprenticeships. Themes addressed were employers' perceptions about: skills gaps in companies; recruitment challenges; retention and progression of apprentices, and issues about embedding Higher Apprenticeships in companies.

A total of 190 organisations completed the survey of which 63 offered Higher Apprenticeships while 121 did not (6 chose not to answer this question). Follow-up interviews were then conducted with employers in order to explore in-depth the issues raised within the survey findings. All respondents had to be knowledgeable of, or at least aware of, Higher Apprenticeships in their organisation. As a consequence we targeted senior members of staff who would be able to offer an overview of their company's position on Higher Apprenticeships. Respondents included Managing Directors and other senior leaders, Human Resource Managers, Learning and Development Managers and staff with specific remits for the development of Apprenticeships and Higher Apprenticeships within the company.

Large companies were well represented in the responses although the number of companies employing more than and fewer than 500 members of staff was almost

equal. 47% of the survey respondents employed more than 500 members of staff while 53% had fewer than 500, see table 1. Among the 63 companies that embedded Higher Apprenticeships 65% employed more than 500 members of staff while 35% employed fewer than 500.

Table 1: Percentage of companies responding to the survey by company size

Number of employees	All respondents	Respondents Higher Apprenticeship programmes
0-10 employees	34 (18%)	5 (8%)
11-50 employees	30 (16%)	8 (13%)
51-250 employees	30 (16%)	5 (8%)
251-500 employees	7 (3%)	4 (6%)
500 and more employees	89 (47%)	41 (65%)

Representatives from over 21 industrial sectors completed the survey.

Following the completion of the survey eleven participants took part in follow-up interviews which explored similar issues to the survey in greater depth. For further information on the methodology and sampling see appendix 1.

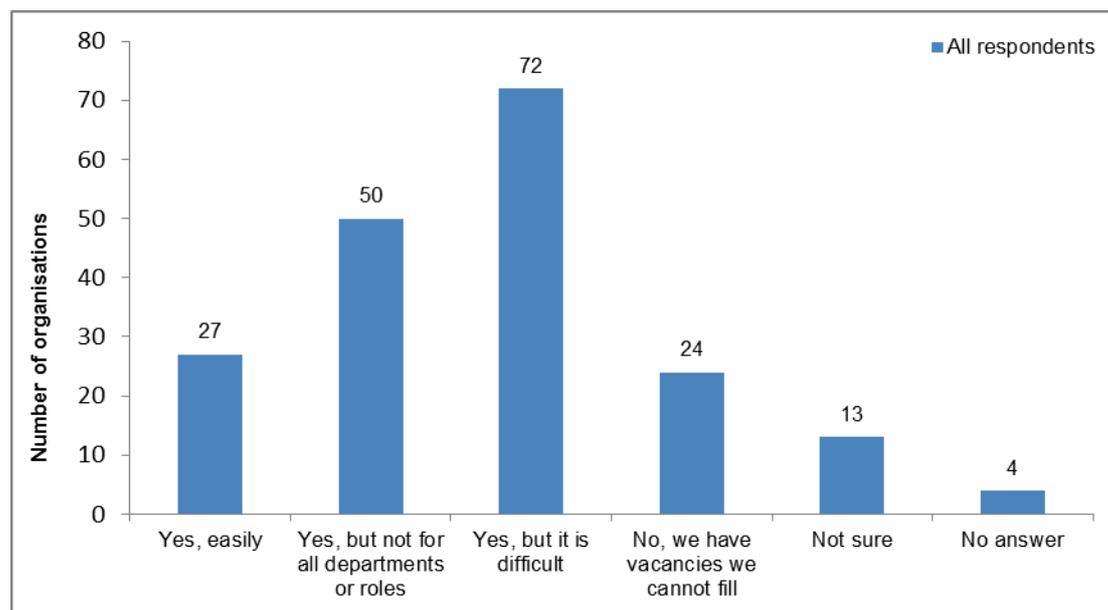
2. Employers' skills needs

Employers utilise a number of strategies to get the human resources that they need to make their businesses successful. It is possible to hire people with the required skills and knowledge or to train and develop them internally. Such training can range from very informal approaches ('*sitting by Nelly*') through to formal approaches which lead to recognised qualifications (such as the Higher Apprenticeships that are the focus of this study). In order to understand how employers engage with Higher Apprenticeships we began by examining what their skills needs were and exploring how they sought to meet these via recruitment, training and organisational development. The question was whether Higher Apprenticeships met a need, solved a problem or added any distinctive value to our respondents businesses.

51% of the survey respondents said that they either had vacancies they could not fill or that they found it difficult to recruit the skilled labour they needed, see figure 1. The responses were largely similar for companies that adopted Higher Apprenticeships and those that did not.

Figure 1: Employers' skills needs

Is your company able to recruit the skilled labour it needs? (n=190)



Smaller companies (1-250 employees) report that it is harder to find the skills they need than larger companies. About half of the companies in the 1-250 employee brackets said that they had either job vacancies that they could not fill or found it difficult to recruit the skilled labour they needed while it was about one third for the companies in the 251 plus employee bracket.

We explored these recruitment issues in follow-up interviews with some of the

employers. The employers described a range of different issues which were associated with their difficulties in recruiting the skilled workers that they needed.

Some employers argued that there was a skills shortage within their industry. The term 'skills shortage' refers to employers being unable to fill vacancies in an occupation or in a specialisation of that occupation. It means there is a shortage of suitably skilled people available in the labour market. Employers from the Bus and Coach Engineering Sector, Maintenance and Electrical Engineering and Health and Care Sector all discussed skill shortages.

It is widely recognised in the sector that there is an acute shortage of bus and coach engineers. It goes back to the 1980s when nobody was putting anything back into the pool of engineers we were all recruiting from. And when the downturn started the first thing that got curtailed was training and development in the workplace. It is an easy saving to make. Not just in our company, it is an industry wide thing. When saving need to be made a lot of organisations look at their training budgets first. That is why there is now a shortage of engineers. (Bus and Coach Engineering)

There are manpower shortages in the Care Sector in the council. For some jobs we just cannot recruit. These are low skill jobs, intermediate skills level. There is a shortage of people applying for these roles and it is a sector that has a growing demand. We also have a skills shortage in Building services and the Highway Engineering sector. (Local Council)

The challenges are with engineering, that is, maintenance engineering and electricians. (Health and Care Sector)

Other companies noted that although there was not necessarily a skills shortage, the package of pay and conditions offered by their company was not sufficiently competitive to attract and retain skilled employees.

We are a Train and Bus company. It costs us about £3,500 to give someone the license and skills to drive. And then, when an operator down the road can offer a 50 pence higher rate, they will jump. So you find drivers will switch from one operator to another. (Transportation)

It is a bit of a catch 22 really; yes we can easily find the skills eventually but quite often it's a challenge attracting the people that we want to attract. And then they usually engender a very high salary or they have quite high expectations. So whilst we can find people, sometimes it is not in our, the company's, best interest. (IT)

Skills shortages that leave employers with vacancies they cannot fill or struggle to fill occur not only due to a lack of skilled labour as was the case in some of the Engineering and the Health and Care companies. Skills shortages can also occur because of conditions of work which make, for example, businesses that do not pay competitive salaries or operate on a 24/7 basis less attractive to work in.

The majority of the companies surveyed were actively recruiting staff with a wide range of qualifications including both apprentices and graduates. Those that were recruiting higher apprentices generally employed more qualified people (including more high skilled people or graduates) than those that did not. Of the companies that offered Higher Apprenticeships, 87% also employed apprentices at Intermediate and Advanced level and 78% also employed graduates. In comparison for companies that did not offer Higher Apprenticeships, 60% employed apprentices at Intermediate and Advanced level and 74% employed graduates.

While graduates and apprentices were often found in different roles there was also considerable overlap. Companies from diverse sectors reported that they used both apprentices and graduates across a wide range of different business roles.

3. Introducing Higher Apprenticeships

The introduction of Higher Apprenticeships is an investment of time and resource for employers. This section explores why employers felt that it was worth making this investment and using Higher Apprenticeships as a route to meet their skills needs. Employers highlighted a range of motivations including improving retention, employing staff who fitted well with their organisation, and using Higher Apprenticeships as part of an organisational skills strategy. They were also clear that the availability of government funding to support Higher Apprenticeships was also an important motivator. Employers who had introduced Higher Apprenticeships felt that these aspirations around retention, organisational fit and enhancing skills had emerged as clear business benefits from the introduction of Higher Apprenticeships.

The most frequently mentioned reason for introducing Higher Apprenticeships was to access financial support from the government. Alongside the financial considerations, there was a strong interest in introducing Higher Apprenticeships to enable the company to train people in the way it wanted, to enable it to recruit from a wider talent pool and attract people with new skills sets. Less frequently mentioned reasons for introducing Higher Apprenticeships were to lower employment costs, help existing apprentices with progression, succession planning in organisations, upskilling existing staff and filling in skills gaps in the organisation. Figure 2 shows the frequency with which employers ranked the reasons for introducing Higher Apprenticeships within their company.

Figure 2: Introducing Higher Apprenticeships

Why did your company introduce Higher Apprenticeships? (n=63)



The top three reasons for introducing Higher Apprenticeships apart from access to financial support from the government were (1) being able to train the people in the way the company wanted, (2) recruiting from a wider talent pool and attracting new skill sets and (3) providing progression routes for existing apprentices and members of staff to improve retention within the company. The reasons mentioned by

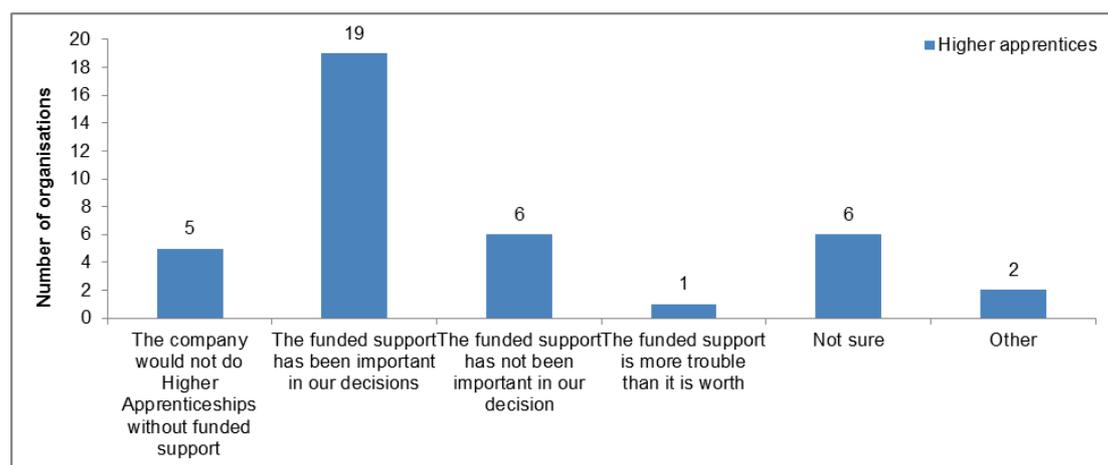
companies for introducing or thinking of introducing Higher Apprenticeships are broadly aligned with the government's workforce development objectives (DBIS, 2010).

The importance of financial support

Many respondents reported that being able to access funding was an important factor in engaging them with Higher Apprenticeships. 24 of the 39 companies that received government funding for adopting Higher Apprenticeships said that either they would not have embedded Higher Apprenticeships without funded support or that the funded support they received was important in their decisions to embed Higher Apprenticeships, see figure 3.

Figure 3: Funding and embedding Higher Apprenticeships

If your company has received financial support from the government for Higher Apprenticeships, to what extent has the financial support from government for Higher Apprenticeships influenced your decision to embed Higher Apprenticeships within your business? (n=39)



While employers are broadly enthusiastic about Higher Apprenticeships they report that the implementation of these qualifications needs to be underpinned by state funding. Enabling employers to access such is likely to be important in any attempt to expand Higher Apprenticeships further.

Improving retention

A main reason given by respondents for introducing Higher Apprenticeships was to improve staff retention. Higher Apprenticeships were said by some to have improved staff retention because they provided a progression route and support succession planning.

Apprenticeships for us are about upskilling staff in the longer term to ensure

that our staff are prepared and equipped to apply for more and different jobs. (Health and Care)

I personally saw the value of Higher Apprenticeships from the point of view of succession planning, bringing younger new blood into the company. Because demographically we are quite an old department. People are in their mid-30s plus. With higher apprentices we have the opportunity to bring in younger blood and grow them culturally within our organisation. (IT)

Higher Apprenticeships provide a progression route for existing apprentices from an Advanced Apprenticeship to a Higher Apprenticeship and then onto a graduate scheme, if they have the potential and professional enthusiasm.

I think there is a need for a Higher Apprenticeship between the Advanced Apprenticeship and the graduate scheme. Because very few apprentices will actually go onto the graduate scheme while there would be a larger number that may want to go on a Higher Apprenticeship programme. (Bus and Coach Engineering)

For those who go from a Higher Apprenticeship to a graduate scheme it is a fast track in terms of their development. Having come from an Higher Apprenticeship onto a graduate scheme, they will not be going back to being on the spanners. They will be in an assistant manager role and they are still quite young, 24 or 25 years old or even younger, 23 years old. That is young. The normal situation for apprentices is working many years on the shop floor before they can go onto a graduate scheme and the assistant manager route. (Bus and Coach Engineering)

Higher Apprenticeships are a way to move up and sideways. A lot of the managers in the company started out as apprentices and progressed up the ladder. Sometimes it requires attending additional training as different skills are required, for example, for managers than for engineers. (Engineering)

Some companies also highlighted a contrast between the retention of graduates and higher apprentices. They perceived that higher apprentices were more likely to stay as they were often locally recruited and connected while graduates were seen as being less rooted and more likely to move across the country to 'chase money'.

The benefit of employing higher apprentices versus graduates is the retention issue. Apprentices are local they will stay while graduates move across the country, have fewer local connections and retention is lower. That is why it works for us employing higher apprentices. As long as they have the right attitude, a willingness to learn and are good team players, they are generally pretty loyal to the company. It is a good programme. (Engineering)

Creating a good organisational fit

Higher apprentices were seen by some employers as being easier to integrate into an organisational culture than graduates or more experienced hires. The importance of finding employees who were a good fit and who it was possible to mould and

develop within the culture of the company was highlighted by a number of employers.

One Director of a small Architectural company said that graduates, at least at the moment, did not fit the '*office philosophy*'. He thought that by introducing Higher Apprenticeships the company would be able to mould young people in the way they wanted. He saw Higher Apprenticeships as an alternative to graduate recruitment that would enable the company to replace graduate recruitment.

We haven't really looked at our apprentices yet, we have not really explored the market yet. I would really want to though because I do feel some of the universities are not really churning out the graduates we want. It may be better if we look at apprentices because they are slightly younger. Perhaps they carry less baggage. And we are able to mould them in the way we want them to co-operate. (Architecture)

The contrast between higher apprentices and graduates was often remarked on. Some employers expressed concerns about the attitudes and behaviours graduates tended to display.

I worry that the egos of some of the graduates that we get through at the moment are a little bit overdeveloped. They tend to think because they have a degree they deserve more than they are entitled to. They do not realise their lack of technical knowledge. They do not seem to fit our office philosophy at the moment. They don't have a very good commercial awareness. They don't understand the concept of 'deadlines' and how important those are. What I am hoping is that if you can catch them earlier in their education, I am hoping that I can develop them upwards rather than having to uneducate some of these university graduates and then re-educate them. (Architecture)

Graduates come in with very high expectations and they have – I am not saying all graduates – high expectations of what they think they can do. They think, I have been to university, I have got this and I have got that. They are may be too overconfident. That is what I love about what a university can do to youngsters. It does give them confidence but sometimes it does not work in a workplace where you got a 24 year old, a potential manager, coming into a very unionised industry, working with other members of staff that maybe worked there for 20 years. (Transportation)

As part of an organisational skills strategy

Many respondents were enthusiastic about the potential offered by Higher Apprenticeships. However, they anticipated that while Higher Apprenticeships could play an important role they were only part of an organisational skills strategy. For example a large Yacht Building Company saw higher apprentices as complementary to the more academically trained graduates.

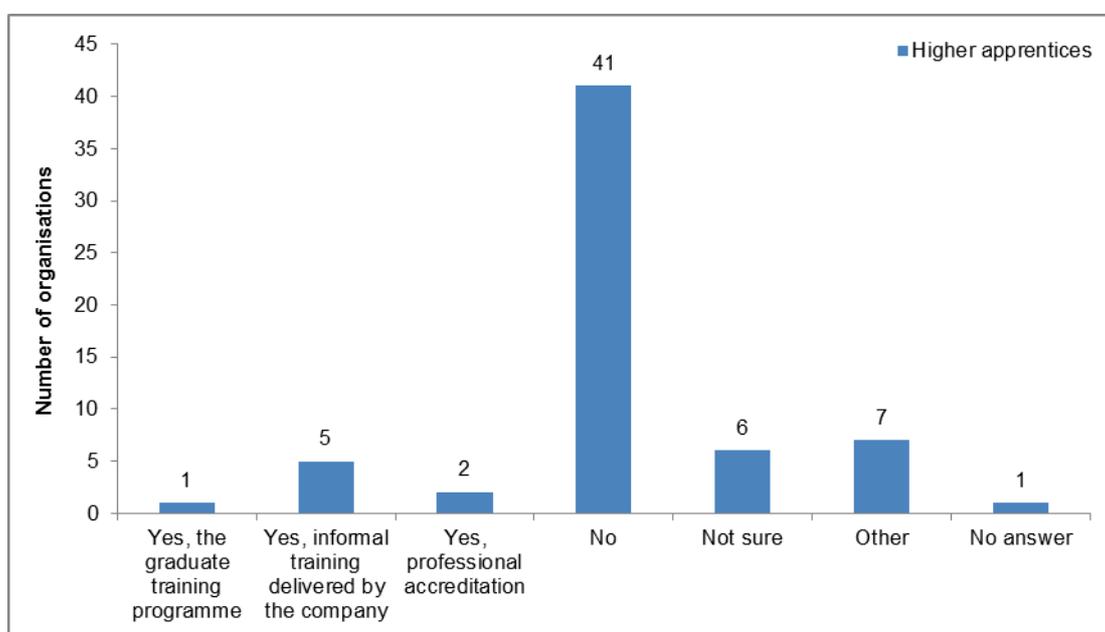
We have found it works quite nicely to have people who come through the hands-on route and people who come through the academic route. We think that adds value to the company. It doesn't mean that apprentices cannot move on to become managers and eventually managing directors but it is just nice to have people coming in through a slightly different route. We think it is a healthy way to do it. And quite often the graduates come in and they tend to

be more involved straight away on the admin side of things while the other guys tend to be on the production side. You need people in production to advance but it is also quite good to have people who come in from a more spreadsheet kind of area. We find that mix is good. That's why we do it that way. (Yacht Building Company)

Although some companies expressed criticism of graduates, hardly any of the respondents were planning to replace their graduate recruitment with Higher Apprenticeships. Figure 4 shows that 65% of the respondents said their Higher Apprenticeship programme did not replace any other training schemes or routes in their company with only small numbers agreeing that Higher Apprenticeships had replaced an existing training or qualification route.

Figure 4: Replacing other training programmes

Did your Higher Apprenticeship programme replace any other training schemes or routes? (n=63)



The Technical Skills Development Manager at an Automotive Company reinforced the view that Higher Apprenticeships were not used to replace other training schemes. In his opinion both graduate training schemes and apprenticeships were needed.

Absolutely, both graduate training schemes and apprenticeship programmes are needed. The programmes serve different destinations in the business. You have to have an aspirational route for the better apprentices to become equivalent to graduates. That's why we have our own internal BEng Programme. Although graduates come in on an BEng it is possible for our apprentices to be on an BEng programme. (Automotive Industry)

Business impacts of introducing Higher Apprenticeships

Employers who had introduced Higher Apprenticeships were overwhelmingly positive about the experience. When asked whether introducing Higher Apprenticeships met the company's initial needs and requirements 78% of the respondents said that initial needs and requirements were either fully or partially met. 70% of the respondents were planning to continue offering Higher Apprenticeships and 74% said they would recommend Higher Apprenticeships to other businesses.

The business benefits that respondents identified were strongly related to the reasons that motivated them to introduce Higher Apprenticeships. They felt that the introduction of Higher Apprenticeships had improved retention, organisational fit and performance and contributed to their companies overall skills strategies.

Companies reported that the most important business benefit which resulted from embedding Higher Apprenticeships was to be able to train people in the way they wanted. This applied to both companies that offered Higher Apprenticeships and those that did not. The second and third most frequently mentioned business benefits were being able to recruit from a wider talent pool and the programme helping to attract people with new skills sets. Again this applied to both companies that offered Higher Apprenticeships and those that did not.

In fact, the ranking of business benefits listed in the survey from employers that offered and those that did not offer Higher Apprenticeships was exactly the same, see figures 5 and 6. This suggests that employers have similar views about business benefits of Higher Apprenticeships regardless of their direct experience of them.

Figure 5: Business benefits (companies that offered Higher Apprenticeships)

What other business benefits have you discovered from embedding Higher Apprenticeships within your company? (n=63)

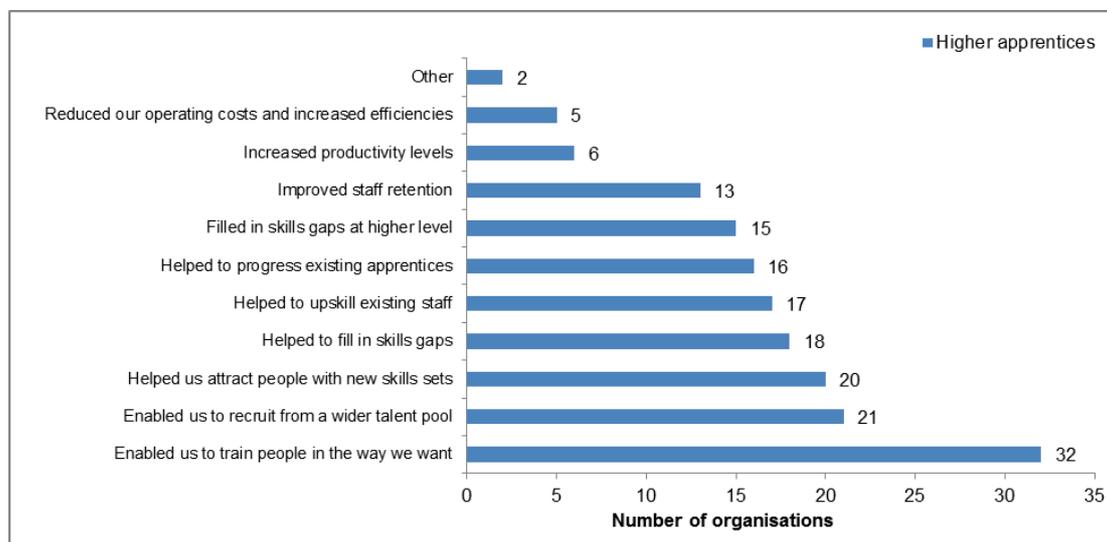
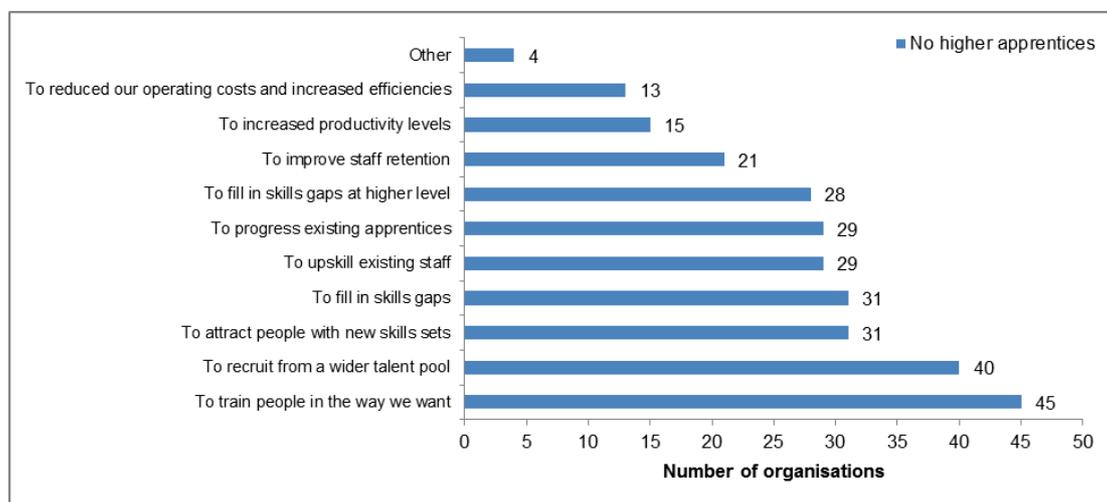


Figure 6: Business benefits (companies that did not offer Higher Apprenticeships)

What other business benefits have you discovered from embedding Higher Apprenticeships within your company? (n=121)



Three other business benefits mentioned by employers during the interviews included the return on investment, lower recruitment costs and the contributions higher apprentices made to the workforce.

With regard to the return on investment, employing higher apprentices were said by some survey respondents to have resulted in winning lucrative research programmes and in attracting a better clientele.

We have found that having embedded Higher Apprenticeship programmes in our business has resulted in winning more lucrative research programmes. (Engineering)

Having higher apprentices has helped attract better clientele to the company. (Equestrian Centre)

Other companies talked more about how Higher Apprenticeships helped to reduce recruitment costs. A Higher Apprenticeship Manager at a large Engineering company said that although it was costly to run a four or five year Higher Apprenticeship programme, in the long run this was cheaper than employing an experienced hire through a recruitment agency.

It is costly to start an apprentice from day one right through to a 4, 5 year programme to take them to degree status. But we believe in the benefits in the longer term because it is expensive to bring an experienced software engineer or project manager in through a recruitment agency. (Engineering)

One Technical Skills Development Manager in an Automotive Company highlighted the benefits for retention, noting that the turnover of people they hired and trained in the company was much lower than that of people with skills recruited directly to the company.

We never actually measured it but our turnover of people we hired and trained is much less than of people we recruited directly with skills and they are a better fit to the business. (Automotive Industry)

The third business benefit mentioned by employers in the interviews related to contributions higher apprentices made to the workforce. Higher apprentices were said to be motivated, successful and strong performers.

We are currently growing our programme. Our first programme indicated that retention rates were high and the apprentices were strong performers. We will need to continue to monitor the returns on our new programmes. (Finance and Insurance)

It is difficult to put a value on apprenticeships but if you can retain, motivate and promote your own staff, I think the return that you get on that, although difficult to quantify, is probably better than if you constantly have to bring in people from the outside to fill the gaps. (Bus and Coach Engineering)

Higher apprentices are mostly aged 17-19 when they start in this company. They enter with A-Levels. Their mindset is different from apprentices that enter with lower GCSE qualifications and there are fewer discipline problems with higher apprentices and graduates. They are very motivated. (Engineering)

Employers reported that being able to train higher apprentices in the standards that were most suitable to the company was also important. This kind of control over training contributed to achieving an improved organisational fit. Other employers

reported that those that completed the Higher Apprenticeship programme were capable and able to contribute to the improved running of their businesses.

Embedding Higher Apprenticeships meant we were able to train people in very specific skills required by the business. (IT)

The major benefit is training an apprentice in the standards that are most suitable for us. (Aerospace)

We have just had our first pilot group complete. We are now seeing business benefits related to the capability of those who have completed the programme and how they manage their team. (Accommodation and Food Service)

We recognise that our apprentices make a considerable contribution to our workforce and have a positive effect within the business. Every employee who has completed our apprenticeship can be proud of what they have achieved. It is important that success is rewarded to encourage others to aspire to achieve. (Yacht Building)

The business benefits employers said resulted or thought would result from having Higher Apprenticeships corresponded with their reasons for introducing or thinking of introducing Higher Apprenticeships. Employers acknowledged that hiring and training higher apprentices was costly but the benefits, business and otherwise, were generally thought to outweigh the recruitment cost incurred when a company recruited an experienced hire. In addition to reducing recruitment costs and having a more loyal workforce that tended to stay longer with the company, employers also introduced Higher Apprenticeships because it enabled them to train a workforce with appropriate skills and attitudes for their company.

4. Barriers to Higher Apprenticeships

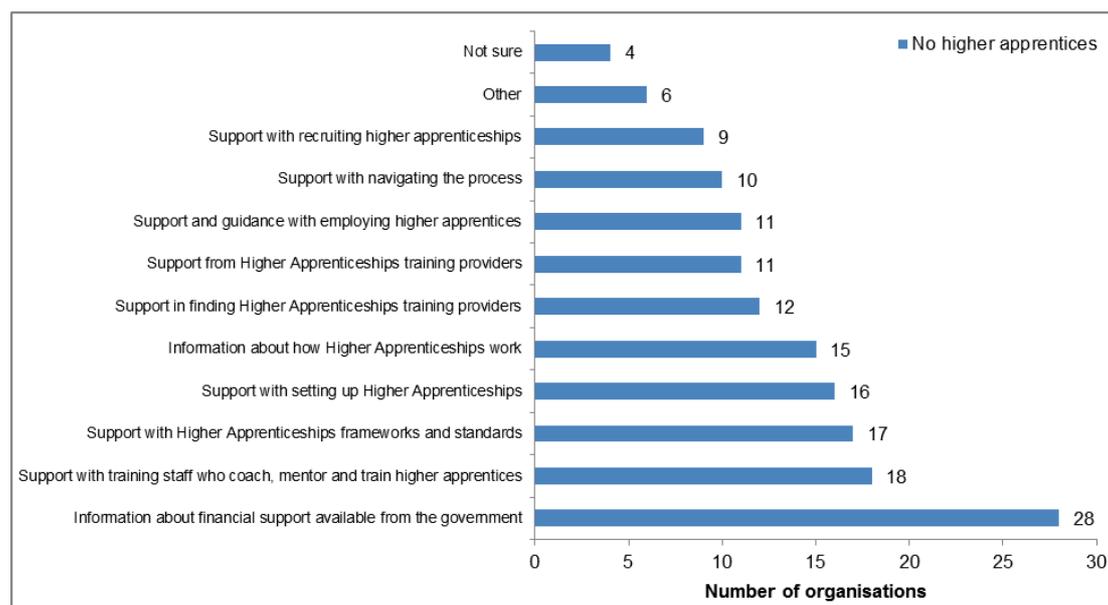
Despite the enthusiasm for Higher Apprenticeships and the reported benefits articulated by employers with direct experience of them, the companies that had introduced Higher Apprenticeships were a minority within our sample. In this section we explore what factors mitigated against a wider range of employers adopting Higher Apprenticeships. The main mitigating factors included the cost of the programmes and the need for financial support and the challenge of finding appropriate frameworks/standards and training providers.

Some of the challenges in introducing Higher Apprenticeships emerged when companies were asked about what support they would need to engage with Higher Apprenticeships. Information about what financial support is available from the government was most frequently mentioned. This echoes the emphasis on the financial aspects of Higher Apprenticeships discussed in the last section. Companies also reported that they would need support with training staff to coach, mentor and train higher apprentices, support with understanding and working with Higher Apprenticeship frameworks and standards and with the setting up of Higher Apprenticeships.

Less frequently mentioned was support with recruiting and employing higher apprentices and with navigating the process. Figure 7 shows the frequency with which companies ranked the support they would need to engage in Higher Apprenticeship programmes.

Figure 7: Support needed to engage in Higher Apprenticeships

*What support would your company need to engage in Higher Apprenticeships?
(n=121)*



Other reasons mentioned in the survey for not introducing Higher Apprenticeships were:

- *Cost and affordability:* Some companies mentioned that they had not introduced Higher Apprenticeships because of the cost of mentoring an apprentice and because funding structures did not allow for progression.
- *No need at present:* A number of companies had no need for higher apprentices because they were fully staffed; had no suitable vacancies; the graduate scheme was going well; were currently concentrating on developing level 2 and 3 apprenticeships or because Higher Apprenticeships were not considered appropriate for the company.
- *Organisational factors:* For some companies Higher Apprenticeships were too much of a commitment as it involved too much 'red tape'; because they lacked the skilled staff to embed Higher Apprenticeships; were confused about how Higher Apprenticeships compared to existing programmes at the same level or because they thought it created more work.

Respondents were also asked to report which areas would be most challenging in embedding Higher Apprenticeships into their organisation, see figures 8 and 9.

Figure 8: Challenges of embedding Higher Apprenticeships (companies that offered Higher Apprenticeships)

What do you think the challenges are of introducing or embedding Higher Apprenticeships in your company? (n=63)

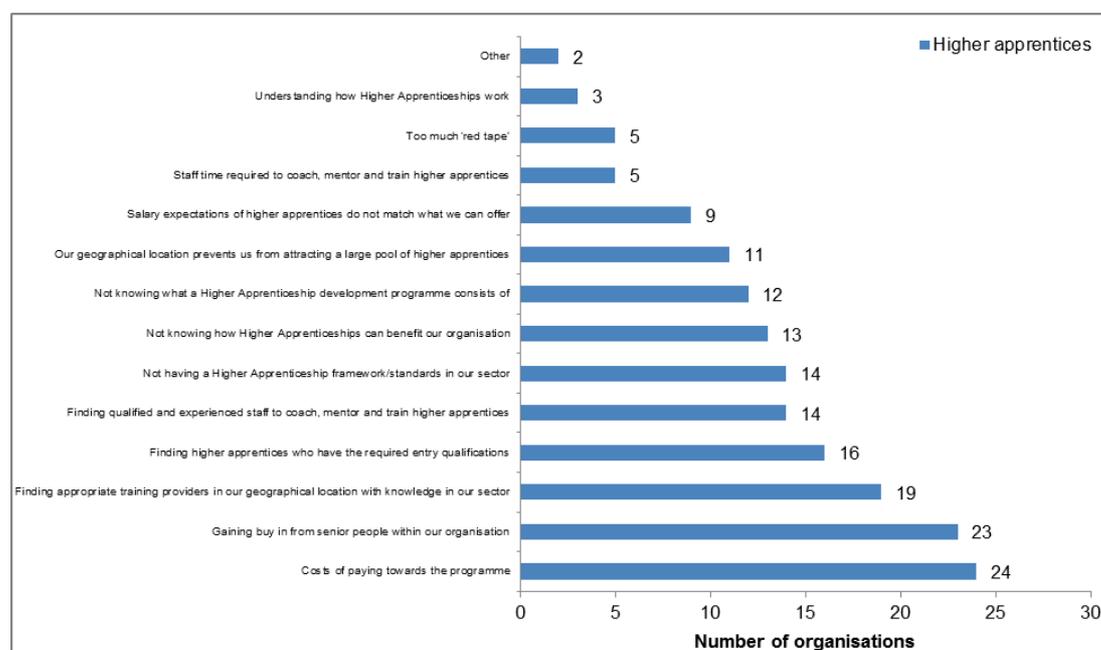
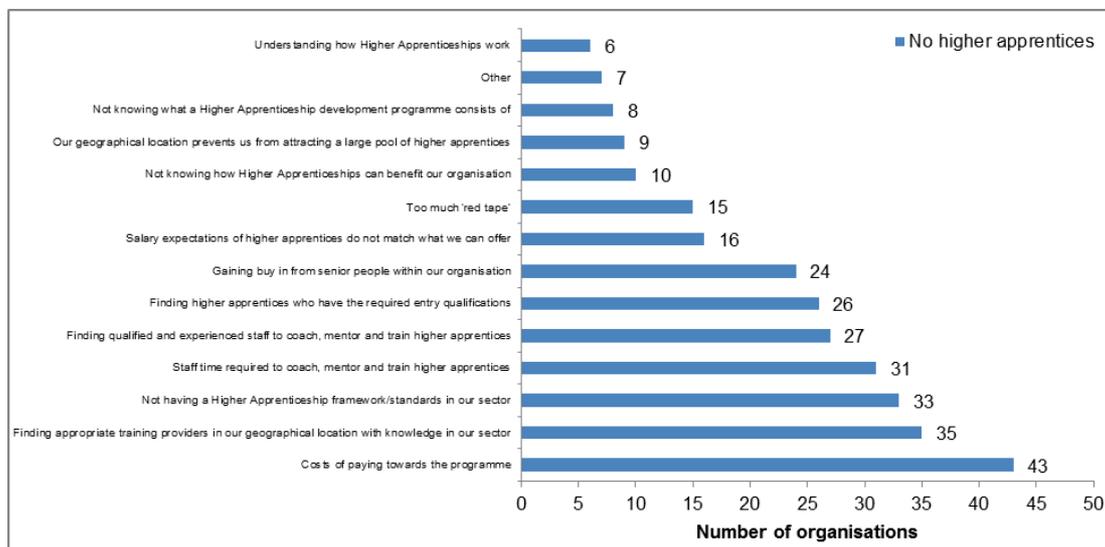


Figure 9: Challenges of embedding Higher Apprenticeships (companies that did not offer Higher Apprenticeships)

What do you think the challenges are of introducing or embedding Higher Apprenticeships in your company? (n=121)



The perceived challenges in introducing Higher Apprenticeships were predominately related to cost of paying towards the programme, finding appropriate training providers in their geographical area with knowledge in the company's sector and the absence of Higher Apprenticeships frameworks and standards in some sectors.

There was also a recognition that Higher Apprenticeships were new and that they were dependent on policy, which often changes. One employer discussed the way in which these political and economic uncertainties made it harder to plan.

One of the challenges of introducing Higher Apprenticeships is the uncertainty of the political and economic landscape. It makes it hard to plan longer term. (Accommodation and Food Service)

For other employers it was a host of practical issues which mitigated against engaging with Higher Apprenticeships. These are discussed in more detail in the next section which deals with embedding Higher Apprenticeships.

Financial support and cost

One large employer in the Automotive Industry said that financial structures prevented apprenticeship progression because apprentices were funded only once to do an apprenticeship. This was given as a reason why Higher Apprenticeships had not been introduced in this company.

The reason why we don't do Higher Apprenticeships is because of the way that apprenticeships are laid out. There is no progression possible between

an Advanced, a Higher and a Graduate Apprenticeship Scheme. If you hire an apprentice you have to make a decision at the time you hire them whether they are going to be an advanced or a higher level 4 or 5 or a graduate apprentice on a level 6 programme. You cannot hire somebody on level 3 and say, if you perform well we move you onto our Higher Apprenticeship and if you perform really well on that we move you up to our graduate scheme, because the funding system does not allow it. An apprentice is funded for only one apprenticeship so the funding systems for apprenticeships does not allow progression. That is one of the reasons why we are against Higher Apprenticeships, you cannot predict at 16 who are the good ones and who are the bad ones. So you need to have pathways in place in the business to be able to manage those people who will always be a tradesman and those people who show good skills at leadership and should become your foremen and future managers. And those people who are really highflyers and should be your future engineers and directors in the business. (Automotive Industry)

Apprentices can in fact be funded twice, if an individual successfully completes the first apprenticeship and the second apprenticeship is significantly different from the first (SFA, 2014). If there is an approved apprenticeship framework at level 3, 4 and above then this could be considered as progression. However the above quote demonstrates that there is considerable confusion about the funding of apprenticeships and a need to improve understanding amongst employers.

Strongly related to these concerns about financial support were concerns about the cost of offering or paying for a Higher Apprenticeship programme. This concern was articulated by both companies that offered Higher Apprenticeships and those that did not.

Achieving the necessary organisational change

Concerns about costs were closely followed by concerns about gaining buy in from senior managers within the company.

Another challenge I would say is raising the awareness for the line managers because it is new. We run workshops to educate them on what Higher Apprenticeship programmes are all about and why you are recruiting higher apprentices. Just taking them through the process. The engagement part is easy because they enjoy working with predominately young people and they like that population. We just have to educate them on complicity and Ofsted. (Engineering)

Some participants talked about how the increased profile of apprenticeships was encouraging senior staff to think differently about apprenticeships and to consider whether they should introduce them within their own organisations.

About a year after that the company brought in an apprenticeships scheme. As I understand it, it was as a direct request from the government to our CEO

that as a fairly large UK company we should be providing opportunities for apprentices. I think that is how it started. So people were put in a position of working out what that actually means for the company. (IT)

Another area of organisational change that was highlighted by some respondents was finding qualified and experienced staff to coach, mentor and train higher apprentices.

Initially it was very much the case of getting the managers engaged. And they had to define their role and really think about that; be aware that the apprentice had to go out and would be studying as well. And the fact that they need more supervision than somebody else who had already been in another job. Apprentices also had to make presentations explaining to everyone what an apprenticeship scheme is and who they are. We made staff come along and see that so they became much more familiar with the scheme and policy. (IT)

Line managers were widely reported to be open to Higher Apprenticeships as they enjoy working with young people and because many have followed the apprenticeship route themselves. One participant from an Engineering company comments that '*line managers are very open to Higher Apprenticeships. We are getting very positive feedback.*'

In general the challenges of embedding Higher Apprenticeships into organisations were mostly about ensuring that appropriate structures were in place to support higher apprentices. The development of organisational structure required, in turn, the buy in from senior staff, line managers and the staff who would serve as the mentors and supporters of the apprentices.

Finding appropriate frameworks and training providers

The third most frequently mentioned concern for companies that offered Higher Apprenticeships was finding training providers in their geographical area who could deliver Higher Apprenticeships in their sector. Companies that did not offer Higher Apprenticeships were also concerned about finding appropriate training providers in their areas.

Concerns about not having Higher Apprenticeships frameworks and standards were also frequently mentioned in the interviews.

Higher Apprenticeships now are seen as quite niche. They are quite high up on the shelf and hard to reach for. That is what the reality is. So a manager who would like a higher apprentice may get in touch and I have to say that there isn't a Higher Apprenticeship framework on offer in this sector at the moment. (Local Council)

There are no frameworks or standards available to us. This is why I am a member of a Trailblazer panel to develop the standards. (Manufacturing)

We do not take part in formal higher level apprenticeship as, at the moment, they are not offered locally. What we do is offer our completing apprentices an opportunity to sign up for a further three years to pursue their technical training and to be 'fast tracked' into leadership roles. It is our own 'informal' higher level apprenticeship programme we offer. (Yacht Building)

Responses to the absence of Higher Apprenticeship frameworks or standards varied considerably between companies. For some companies the absence of Higher Apprenticeship frameworks and standards resulted in them not implementing Higher Apprenticeships. For other companies not having Higher Apprenticeship frameworks or standards in their sectors was regrettable, because it prevented them from offering an accredited programme, but it did not prevent the company from offering their own high level skills training programme.

The only thing that would be good for us is, if we could call it a proper Higher Apprenticeship and if a certification would follow from it. We have one of the biggest colleges here in the country but so far they have not found a Higher Apprenticeship programme they are able to offer us. At the moment it is just what we are offering in our company informally but it would be quite good if it could be formalised like other apprenticeship schemes. (Yacht Building)

There was also some concern amongst employers about the involvement of external organisations in the development of new Higher Apprenticeship standards through Trailblazer groups.

One of the challenges is not having an appropriate Higher Apprenticeship framework for our sector as we have in Health and Social Care at present. The Sector Skills Council has had far too much influence in the Trailblazer for levels 2 and 3 and I suspect they will corral friendly employers into obtaining the Trailblazer for this too. Someone needs to stop this from happening. (Health and Social Work)

The main mitigating factors for not introducing Higher Apprenticeships mentioned by employers are the cost of the programmes and the need for financial support. Another challenge for employers was finding appropriate frameworks and training providers with appropriate sector specific skills and knowledge.

5. Embedding Higher Apprenticeships

This section explores the processes that employers put in place in order to embed Higher Apprenticeships within their organisations. The main elements of the embedding process that employers discussed included: finding out about Higher Apprenticeships; recruiting higher apprentices; managing and progressing higher apprentices; and working with training providers.

Finding out about Higher Apprenticeships

Companies that offered Higher Apprenticeships tended to obtain information from either the National Apprenticeships Service, training providers or from a Sector Skill Council. Trailblazer groups and government websites were other sources employers would turn to for information. The same top five sources for information would be used by employers that did not offer Higher Apprenticeships although in a somewhat reversed order as figures 10 and 11 show.

Figure 10: Sources of information (companies that offered Higher Apprenticeships)

Where did you or your company obtain information about Higher Apprenticeships? (n=63)

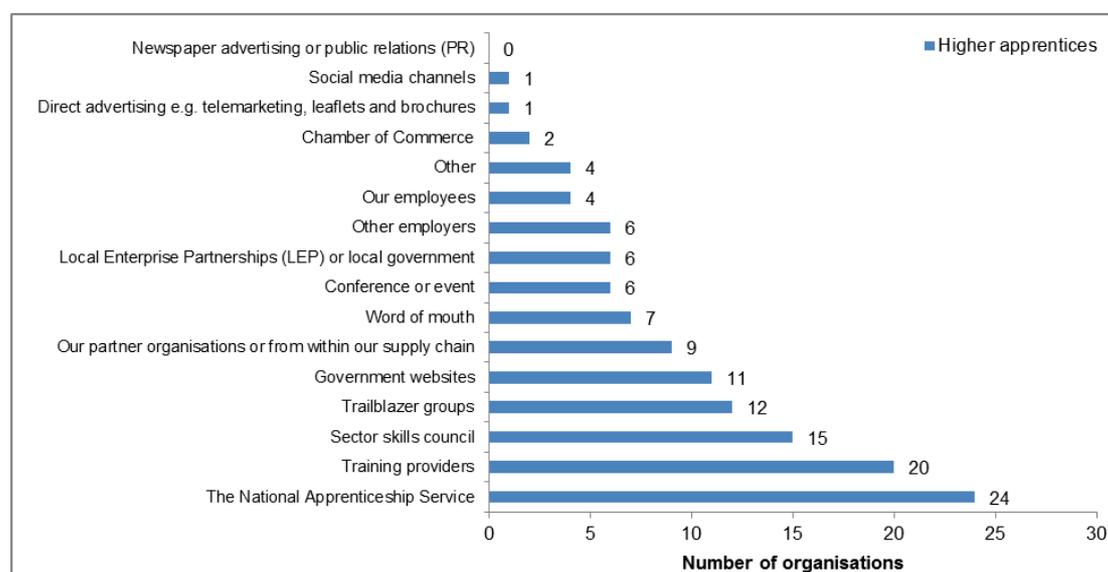


Figure 11: Sources of information (companies that did not offer Higher Apprenticeships)

Where did you or your company obtain information about Higher Apprenticeships?
(n=121)



Other sources of information mentioned by employers in the survey included the following organisations or types of organisations:

- Association of Employment and Training Providers (AELP)
- Colleges
- Sector specific bodies (e.g. Technical Apprenticeship Consortium, the Forum for Constructing Excellence (FORCE), Local Education and Training Boards (LETB))
- Specialists within their own companies
- Trade associations

The type of information that companies that offered Higher Apprenticeships would have found most useful when setting up the Higher Apprenticeships programme, was more information about funding opportunities, the benefits of a Higher Apprenticeship programme and services training providers could have offered on Higher Apprenticeships. Other useful information would have been guidance on how to employ higher apprentices and on how to set up Higher Apprenticeship programmes.

Companies that did not offer Higher Apprenticeship programmes also most frequently said they wanted more information about funding opportunities, but also wanted guidance on how to set up Higher Apprenticeship programmes as well as

contact details of other companies that embedded Higher Apprenticeships within their business. Understanding how to set up and embed Higher Apprenticeship programmes in their business was almost as important as getting more information about funding opportunities.

Figures 12 and 13 show the frequency with which companies that offered and those that did not offer Higher Apprenticeships mentioned the different types of information required.

Figure 12: Type of information (companies that offered Higher Apprenticeships)

What sort of information on Higher Apprenticeships would you have found useful when setting up your programme? (n=63)

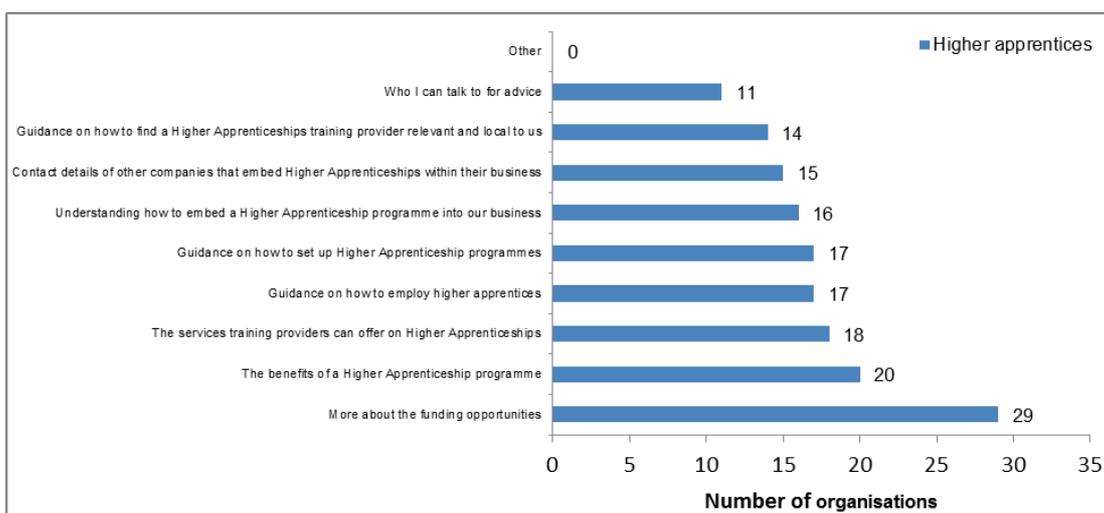
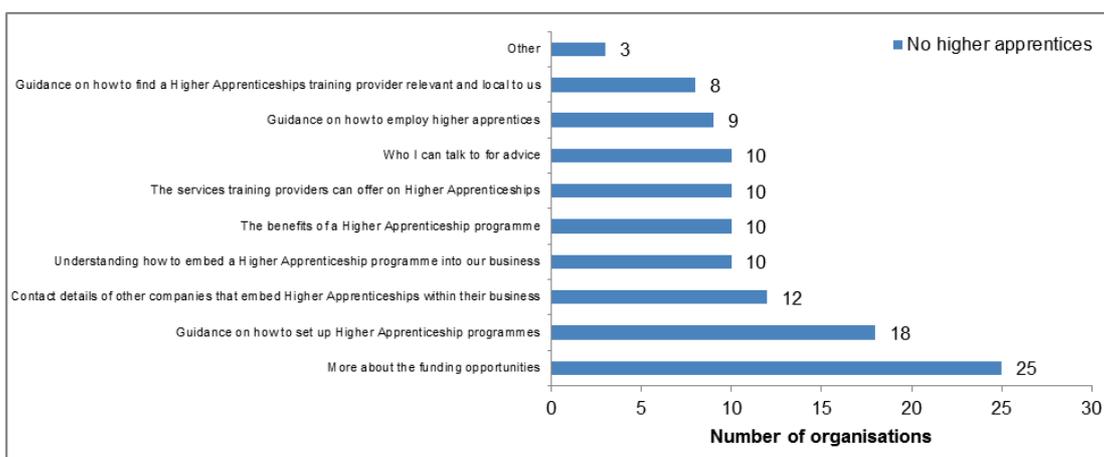


Figure 13: Type of information (companies that did not offer Higher Apprenticeships)

What sort of information on Higher Apprenticeships would you have found useful when setting up your programme? (n=121)



Concern about finding information was not as apparent in the interviews as in the survey. The employers who participated in the interviews generally seemed quite comfortable consulting websites and training providers, sector skills councils or Trailblazer groups for information.

Recruiting higher apprentices

Employers who participated in this research were acutely aware that recruiting the right higher apprentices was crucial for the success of a programme. For this robust recruitment procedures were required. Finding the right higher apprentices was not always easy as despite the fact that there were usually sufficient applicants employers were looking for rounded enthusiastic people with the right qualifications and the potential to succeed and progress in their profession. The challenge employers faced when trying to recruit the right higher apprentice reflected in that only 52% of the companies that embedded Higher Apprenticeships said they found it easy to recruit the higher apprentices they needed, while 21% said they did not find it easy and 27% were either not sure or chose not to answer the question.

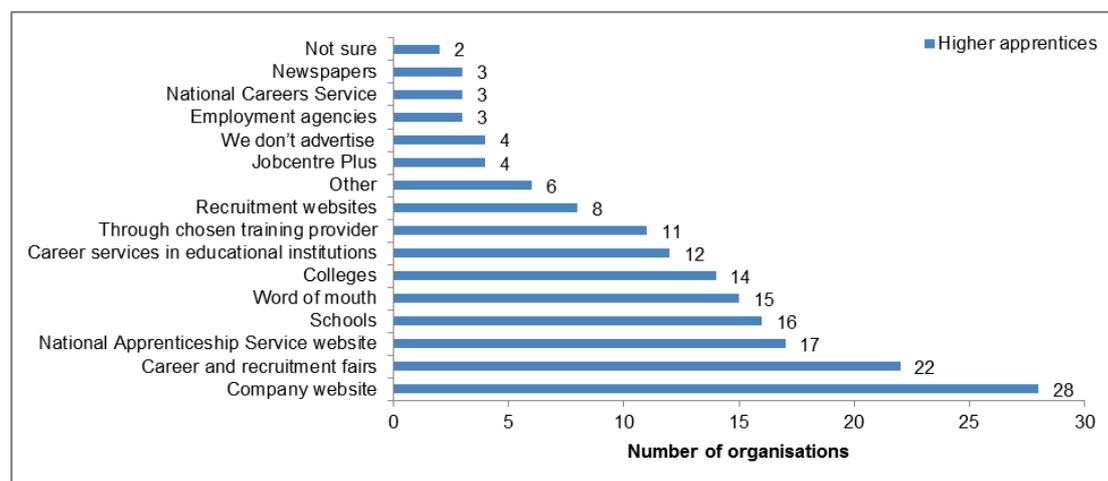
Advertising and promotion

Part of the recruitment challenge companies faced was finding the most effective and efficient way of advertising Higher Apprenticeships. The best channel for advertising Higher Apprenticeships according to the survey respondents was the company website and career recruitment fairs. After that it was the National Apprenticeship Service website, schools and word of mouth that worked best for advertising Higher Apprenticeships.

Schools were mentioned fourth most frequently as places for advertising Higher Apprenticeships but not further education colleges. Figure 14 shows the frequency with which employers ranked the promotional channels for advertising Higher Apprenticeships listed in the survey. Other promotional channels mentioned by companies in addition to the ones listed in the survey included various social media (LinkedIn, Twitter and Facebook) and internal routes through the company.

Figure 14: Promotional channels

*Which promotional channels work best for advertising Higher Apprenticeships?
(n=63)*



It was clear that some of employers were recruiting higher apprentices from within their organisation. From the interviews it appeared that word of mouth within the company and seeing other employees following a Higher Apprenticeship programme were important when recruiting existing members of staff. For example, a Training and Development Manager in a Health Sector Organisation said that *'word of mouth works best because once people hear that a colleague followed a higher or any apprenticeship really they think they can do it too'*.

Choosing the right higher apprentices

Employers are conscious of the fact that they are making a substantial investment in higher apprentices. Consequently they are careful about how they select the higher apprentices that they employ. In order to do this they rely on identifying a mix of qualifications and employability skills.

The recommendation made by the government for recruiting higher apprentices is that they hold A-Level or equivalent qualifications when starting a programme. Employers are, however, free to decide who and with what qualifications they want to recruit. It emerged from the interviews that employers are acutely aware of the importance of qualifications because having the recommended qualifications for a Higher Apprenticeship meant employers could be confident that the apprentice they recruited would be able to cope with the academic demands of the programme.

We make sure higher apprentices come with the right qualifications so that they can cope with the academic demands put on them. (Construction)

On the one hand it is good that no minimum requirements are set in terms of the qualifications higher apprentices required to start on a programme. But as

*an employer you have got to be mindful that the individual you are taking on is capable of achieving the academic requirements for completing level 4. That is the challenge to any employer that chooses to employ an apprentice.
(Engineering)*

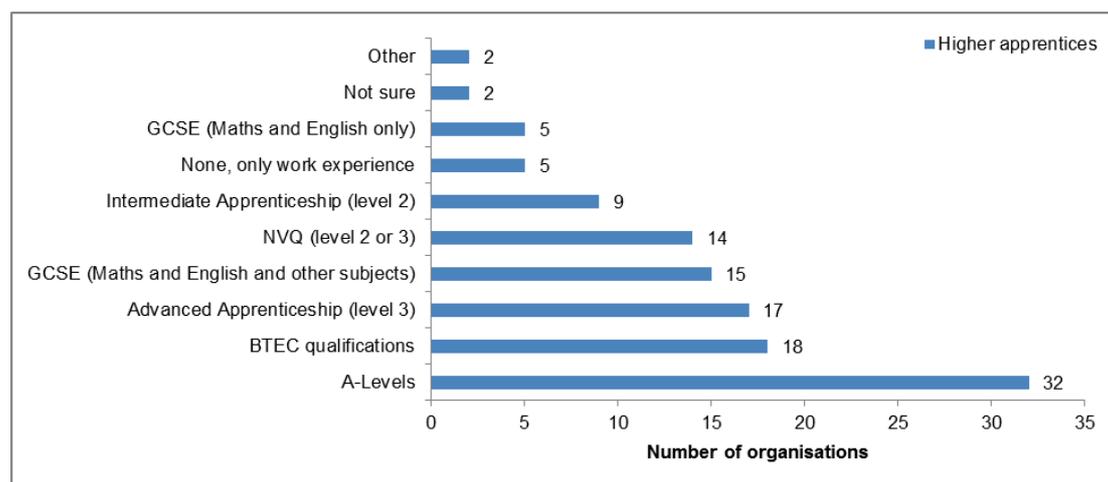
The most frequently reported qualifications apprentices have when starting a Higher Apprenticeships are A-Levels followed by BTEC qualifications and level 3 Advanced Apprenticeships. Some employers reported recruiting apprentices with either GCSE or level 2 and 3 NVQ and Intermediate Apprenticeship qualifications. This partly reflects the flexibility with which employers can make recruitment decisions and partly that in some companies Higher Apprenticeship programmes are four to five years long, starting at level 2 and taking the apprentices right through to level 4 and even further.

Our Higher Apprenticeship programme is actually a five year programme but only three years of it are funded. It is a combination of a Higher Apprenticeships. In tandem with the Higher Apprenticeship we also do a foundation degree. So our apprentices achieve their Higher Apprenticeship after three years and then they continue to do a foundation degree, the following two years. (Engineering)

Figure 15 shows the ranking of the most frequently mentioned qualifications higher apprentices typically have when they start a Higher Apprenticeship.

Figure 15: Qualifications

What qualifications do higher apprentices typically have when they start a Higher Apprenticeship in your company? (n=63)



Part of the recruitment procedures described by employers is assessing applicants' employability skills. In large companies this was done through assessment centres and in small companies through trial days.

We do an assessment centre for all our apprentices in IT. It looks at all

aspects of their capabilities. Whether they can work in a team, whether they can present themselves well and where their passion lies. That kind of thing. (IT)

We have an assessment process. The starting point is the qualifications. They've got to have the right qualifications first. After that we are doing an assessment centre, so we are looking for people with the right attitude: their willingness to learn, a good team player, communication skills. If they have got all these skills we can develop them. Work experience is not that critical, I would say. (Engineering)

We are looking for someone who is locally based because often they are still supported by their parents, with the right attitude and with lower English and Maths qualifications. That will make it easier for the apprenticeship. And a couple of references and a bit of knowledge, that makes life a lot easier. But I am not worried about that, normally you can tell when you talk to somebody. And we normally do a trial day to see how they like it and to see how they blend in with other members of staff. They may be good to talk to and they work hard but they may not get on with other members of staff and that can be very difficult. And normally we do about a month contract. That is a bit of cover for me and a bit of cover for them if they decide they don't want to do that and want to go to college instead. (Equestrian Centre)

Employers were acutely aware of the importance of making the right decisions and the business implication if they got the recruitment wrong.

And these are things to do with kind of all-rounded personality skills, social skills: how to speak to people, how to write, how to communicate. Underlying it all is this slightly more rounded personality; people who are socially aware, commercially aware, and who know how to be a good employee. (Architecture)

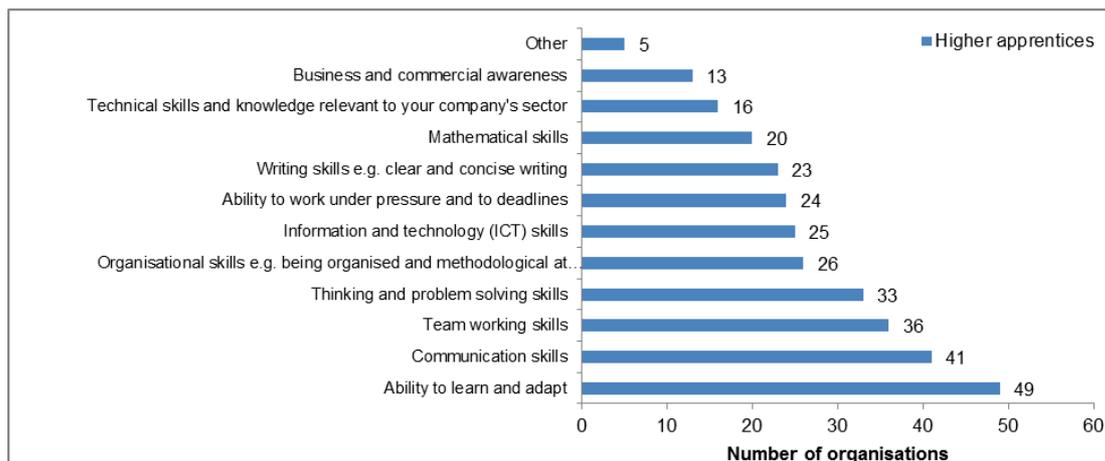
What we are looking for is, is the soft skills with a rounded personality. What I mean by rounded personality is somebody who understands the commercial nature of business and employment and understands that they have to rise to a challenge to become part of a business deal. It is that appetite, this kind of, 'I go and get it'. I know where I am at in my training and I know that there is a commitment from the employer to help me develop my technical knowledge but my commitment to the employer is a bit of enthusiasm, a bit of passion a bit of initiative and commitment. These are the kind of things that make a rounded personality and which I think is quite important. It is very difficult to get. You cannot teach somebody to be enthusiastic. (Architecture)

The most frequently mentioned employability skill that employers expected higher apprentices to have when they started a programme was the ability to learn and adapt. This was followed by communication skills, team working and thinking and problem solving skills. Figure 16 shows the frequency with which employability skills and attitudes higher apprentices were expected to have when they start a Higher

Apprenticeship were mentioned. Some employers added a comment in the survey that all the employability skills and attributes listed were important and that they struggled to tick the five most important they were asked to identify.

Figure 16: Employability skills

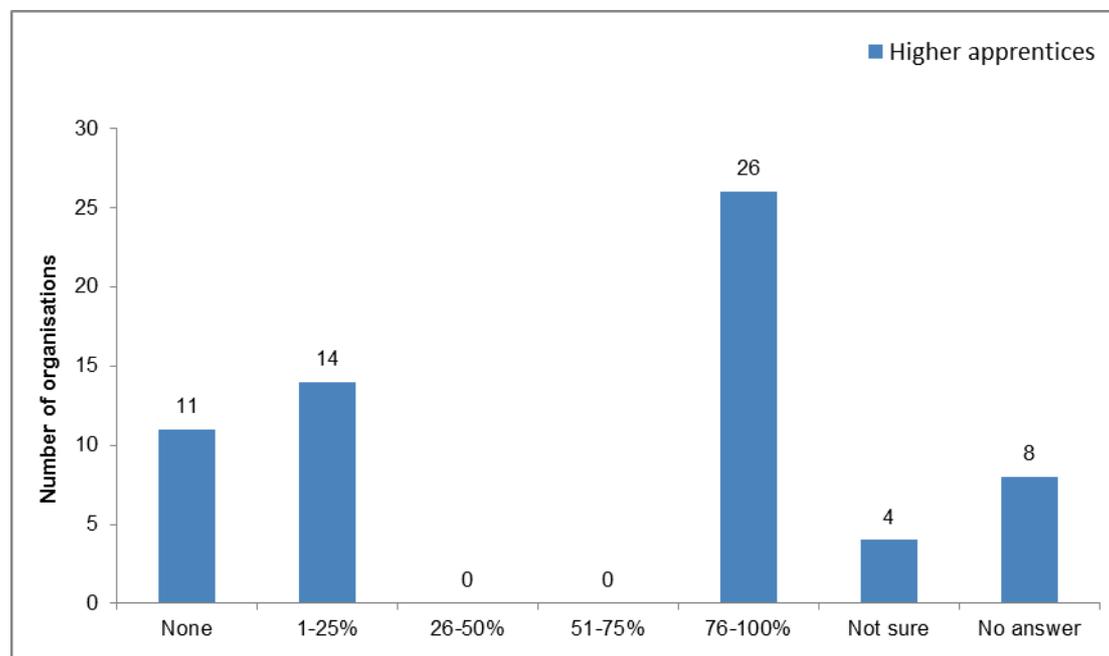
What employability skills and attributes does your company typically expect higher apprentices to have when they start a Higher Apprenticeship in your company? (n=63)



The recruitment practices used by employers to select higher apprentices vary widely. There were employers that mainly recruited existing staff and those that mainly recruited new staff on Higher Apprenticeship programmes. Figure 17 shows that the number of employers that said less than 25% of higher apprentices they recruited were new members of staff and those that said more than 75% of higher apprentices recruited were new members of staff was almost equal, 25 and 26 employers respectively. This indicates that Higher Apprenticeships were used as much for upskilling existing staff as for recruiting new talent into the company.

Figure 17: New members of staff

What percentage of higher apprentices recruited in your company are new members of staff? (n=63)



Existing members of staff have been tried and tested and are likely to have been recruited on a Higher Apprenticeship programme because the employer recognised their potential and was willing to offer them a promotion upon successful completion of the Higher Apprenticeship programme. In comparison new members of staff that are recruited onto a Higher Apprenticeship programme are a bigger risk.

Managing and progressing higher apprentices

Employers were aware that apprentices needed support to learn and perform and had provision in place to provide that support.

Apprentices work for a few months in different departments, departments that are related to their jobs. Mostly in the first and second year so that they learn to understand the business, understand the work done in different departments and how it all comes together. In the third year apprentices are mostly working in their department. Higher apprentices also have one long day from 9am to 8pm at the further education college. And there are additional internal training programmes higher apprentices attend as required. Each apprentice also has a mentor they work with and can go to for advice and support. (Engineering)

We thought if we work together as employers – there is an opportunity for these individuals coming into the business that can work right through from level 2 up to level 4. That will hopefully give them the skills, knowledge and behaviours required to stay with us. We support and mentor higher apprentices and they can progress within the company to be at level 4. (Transportation)

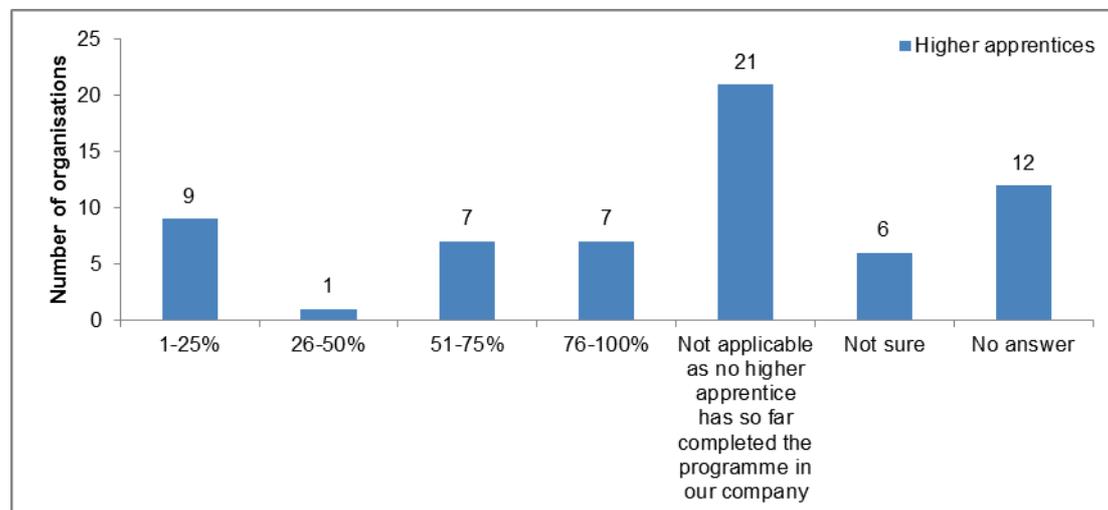
Anybody who undertakes an apprenticeship will be allocated a mentor; we have a bank of mentors in different areas. The mentor and line manager can be completely different person. Somebody who has no day-to-day involvement but the apprentice can turn to and ask questions. Sometimes it works better when the person is not involved in the day-to-day work and just steps in and visits or has a phone call and talks things through. Somebody to discuss where the apprentices are at and how they progress. (Construction)

Developing appropriate support structures was easier for companies that had years of experience in offering apprenticeships at level 2 and 3. They had, for example, a pool of mentors they could draw from as the Professional Development Manager of a large construction company pointed out and could draw from their experience when designing and setting up a Higher Apprenticeship programme. Employers that had not previously offered apprenticeships, such as the Architecture business that was interviewed in this research, were more likely to mention that they would require help from training providers with the setting up and development of a programme.

Although it is too early to tell what the rate of promotion may look like for higher apprentices, there is some indication from the survey and the interviews that higher apprentices are getting promotions if they display potential and complete the programme successfully. Figure 18 shows the percentage of higher apprentices that completed a Higher Apprenticeship programme in each company that was surveyed and who had a promotion. Out of the 24 companies this question applied to 14 said more than 50% of their higher apprentices that completed have had a promotion and 10 said less 50% had a promotion.

Figure 18: Promotion

What percentage of higher apprentices who completed the programme in your company that have had a promotion? (n=63)



That there are career paths open to promising higher apprentices who completed the programme successfully came across clearly in the interviews.

Higher apprentices can move up and sideways once they completed the programme. A lot of the managers in our company started out as apprentices and progressed up the ladder. Sometimes it requires attending additional training as different skills are required for example for managers than for engineers. (Engineering)

We use Higher Apprenticeships mostly as a progression route for existing staff to retain people. But apprenticeships are about upskilling in the longer term, to ensure that staff are prepared and equipped to apply for more and different jobs. But it is important to not just give people education and skills and then leave them. They need also to be provided with opportunities to progress and move on in their careers. (Health and Care Sector)

Finding an enthusiastic higher apprentice with a rounded personality and the potential and desire to succeed and progress in the profession within the company tended to be perceived as a considerable recruitment challenge. Once higher apprentices were recruited employers saw exciting career paths for higher apprentices within and beyond their company.

Employers were also generally open to recruiting staff for a professional role if they had already completed a Higher Apprenticeship in another company, see figures 19 and 20. While all the companies that offered Higher Apprenticeships said they would consider recruiting or had recruited member of staff to a professional role having

completed a Higher Apprenticeship programme in another company, six companies that did not offer Higher Apprenticeships, said they would not recruit a member of staff that completed a Higher Apprenticeship programme in another company. The reason given by the Technical Skills Development Manager in a large Automotive Company in one of the interviews is described in the next extract.

*Of course there is turnover but our experience is we should develop our own people. So get them in at the bottom and develop them through the business rather than getting people in who are already well experienced in the field.
(Automotive Industry)*

Figure 19: Recruiting staff that completed Higher Apprenticeship (companies that offered Higher Apprenticeships)

Would your company consider recruiting a member of staff to a professional role who completed a Higher Apprenticeship in another company? (n=63)

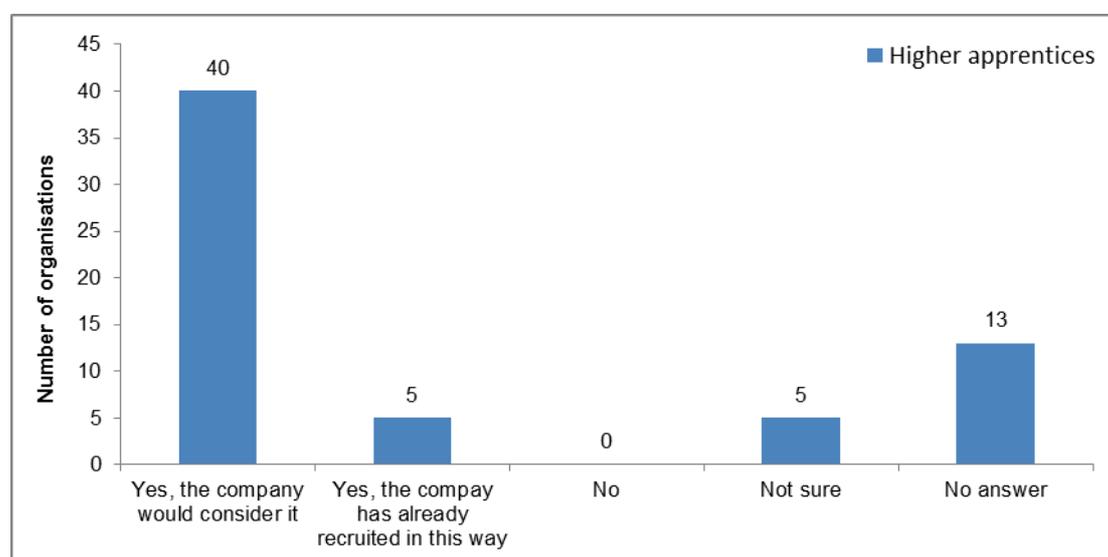
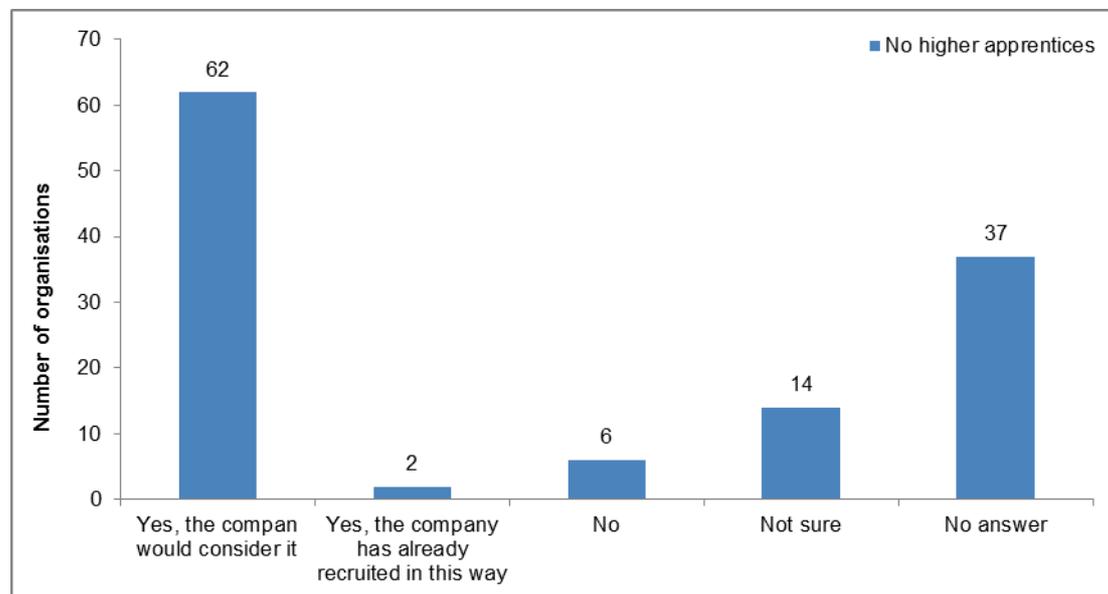


Figure 20: Recruiting staff that completed Higher Apprenticeship (companies that did not offer Higher Apprenticeships)

Would your company consider recruiting a member of staff to a professional role who completed a Higher Apprenticeship in another company? (n=121)

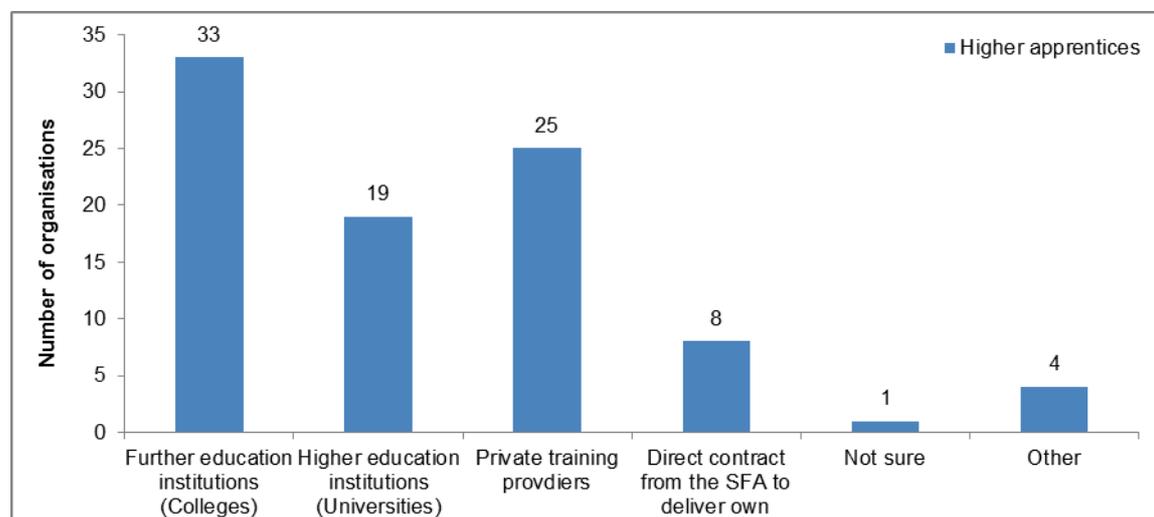


Working with training providers

Companies worked with a range of training providers. 52% of the survey respondents said that they worked with further education colleges while 30% worked with higher education institutions and 40% with private training providers, see figure 21. Eight respondents said they had a direct contract with the Skills Funding Agency to offer Higher Apprenticeships and this included both small companies with fewer than ten employees and large companies with over 500 employees.

Figure 21: Training providers

What kind of training provider(s) does your company work with for Higher Apprenticeships? (n=63)



Talking to employers in the interviews about training providers it emerged that employers tended to have had both good and bad experiences with training providers. Employers valued training providers that taught the most up-to-date technical skills and knowledge, could provide help with apprenticeship frameworks and standards and were upfront, realistic and honest about what they could and could not deliver.

It needs commitment from both parties. Punctuality is important, getting back to people who have shown interest and engage with them. Training providers can promise a lot and say what they are going to do but if it never materialises you lose faith. I have wasted a huge amount of time changing training providers I did not want to be involved with anymore. Training providers should be upfront, realistic and honest about what they can and cannot do. (Health and Care Sector)

One complaint of employers is that apprentices are not being taught the latest technology. They are always behind. When we challenge the training providers, their correct response, I guess, is well, we pulled the content from the National Occupational Standards. That is what is there, that is what we work with and can work with. (Bus and Coach Engineering)

I think we definitely need an education partner to assist with the frameworks and with what is expected in terms of output deliveries. A partner that will look at the financial resources, explore the financial grant opportunities or find someone to help fund some of the development activities. (Architecture)

The Technical Skills Development Manager in the Automotive Company had strong views about training providers, saying that it is the company that has to tell the

training providers what they want rather than letting the training providers decide on the product they delivered.

Training providers, basically you have to show them what you want. If you let them decide what training you need then you never get a good job. You need to be very clear. This is what we want, monitor it very closely and tie it down in terms of cost. This is quite a hard view but they are selling a product. It is a product like any other product. You need to specify what you want from them, you need to absolutely confirm that they are giving you what you specified and you have to be aggressive on cost in the same way that you would be with any other suppliers. We don't let our suppliers decide what they send us in terms of parts, we tell them exactly what parts we want, when we want them and how many we want. It is the same with the education sector. (Automotive Industry)

For training providers, therefore, it is important to be aware of the clients' needs and to establish an effective and efficient working relationship with the company to deliver what the company requires.

6. Conclusion

The findings from our research suggest that employers are positively disposed towards Higher Apprenticeships. Employers identified a range of benefits with Higher Apprenticeships including their ability to help companies to address skills shortages, improve retention of staff and to fit them within their organisational culture.

Employers with experience of Higher Apprenticeships felt that they had helped them to win business and to attract new clients. Although they considered it costly to start an apprentice right from day one and train them for one, or in some cases, several years, employers saw clear benefit in Higher Apprenticeships.

Employers also identified a number of barriers and challenges that mitigated against the introduction of Higher Apprenticeships. These included the costs and resource implications, the absence of an apprenticeship framework or standards, and difficulties in finding an appropriate training provider.

It seems from our research that Higher Apprenticeships look set to become an important part of the skills system. However, at present they are not well understood by policymakers, researchers or stakeholders. This research has explored employers' attitude and found strong support for Higher Apprenticeships amongst this group. There is a need for further research that explores the programme from the perspectives of other stakeholders including apprentices themselves, training providers and schools and career development professionals.

Higher Apprenticeships have come a long way in a short time. They continue to grow in popularity amongst both apprentices and employers. We believe that this report provides useful insights that will enable Higher Apprenticeships to continue to develop and become further embedded into the skills system over the next few years.

7. Recommendations

The following recommendations are made based on the findings of the research.

Recommendations for employers

1. There is considerable value for employers in engaging with Higher Apprenticeships. Employers should establish whether relevant frameworks and standards exist within their sector and work together to develop new standards where these do not exist.
2. Employers who seek to establish a Higher Apprenticeship programme within their company should prepare thoroughly and consult with experienced people who understand sector specific Higher Apprenticeships frameworks and standards.
3. It is important to recruit the right higher apprentices. A Higher Apprenticeship is demanding and so candidates must have the necessary qualifications and soft skills.

Recommendations for training providers

4. The delivery of Higher Apprenticeships must be seen as a partnership between training providers and employers. Employers are keen to be consulted to ensure that training programmes meet their needs.
5. Higher apprentices must be supported to learn cutting edge knowledge and skills. Employers judge the effectiveness of training providers by how up to date their sector and technical knowledge is.

Recommendations for policymakers

6. Higher Apprenticeships are a valuable route which must continue to be supported by policy.
7. Appropriate funding is essential for the continued growth and development of Higher Apprenticeships. Employers were clear that accessing funding was very important to their decisions to engage with Higher Apprenticeships. There is a need to improve understanding about entitlement to funding and how it operates.
8. More specific occupational Higher Apprenticeship standards need to be developed. The lack of standards is inhibiting the growth of the programme.

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Appendix 1: Research methodology

Methodology

This report is based on a survey with 190 employers and eleven follow-up interviews conducted by the International Centre for Guidance Studies at the University of Derby in partnership with Pera Training and funded by the European Social Fund and the Skills Funding Agency.

The aim was to explore employers' experience and understanding of Higher Apprenticeships. Themes addressed were perceptions about potential skills gaps in companies; employers' perceptions about the challenges in relation to recruitment, retention and progression of apprentices and issues relating to embedding Higher Apprenticeships in companies.

The information was collected through an online survey with employers representing all nine regions of England. The survey was distributed by a number of training providers, industrial associations and Trailblazer groups.

The survey was completed by Apprenticeship Managers, Learning and Development Managers, Human Resource Directors and company Directors or their equivalents in each of the organisation. A total of 200 employers completed the survey of which 190 could be used for the research while 12 were either respondents from abroad or only partially completed the survey. Out of the 190 responses 63 employers offered Higher Apprenticeships, 121 did not offer Higher Apprenticeships and 6 did not respond to the question.

Survey sample

A range of companies were surveyed and about half of the respondents (89) employed more than 500 members of staff. Out of the 63 companies that offered Higher Apprenticeships, 41 were large businesses with over 500 employees, 13 employed between 0-50 members of staff and 9 employed between 51-500 members of staff. Out of the 121 companies that did not offer Higher Apprenticeships, 45 were large businesses with over 500 employees, 48 employed between 0-50 members of staff and 25 employed between 51-250 members of staff.

Figure A1 shows the size of employers that took part in the survey by number of employees.

Figure A1: Company size (number of employees)

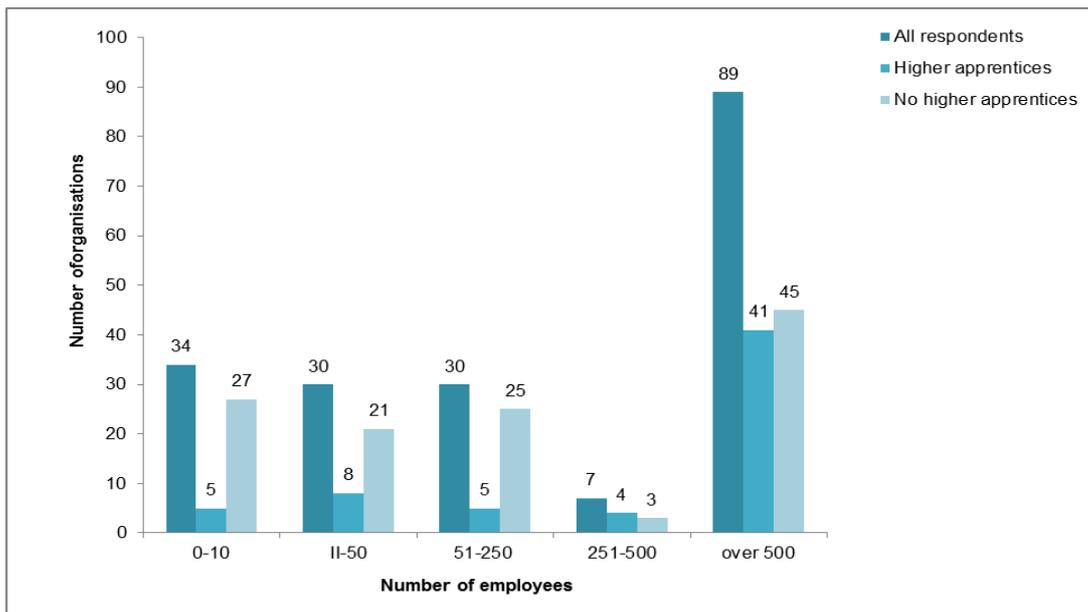
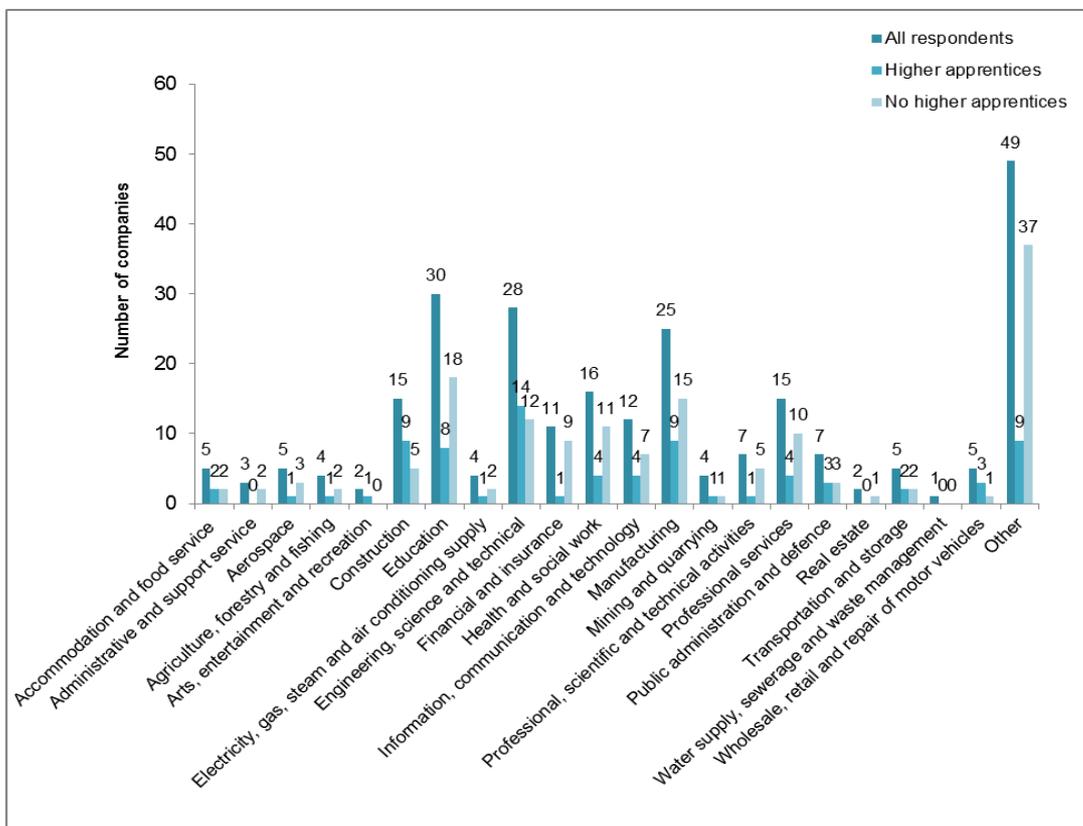


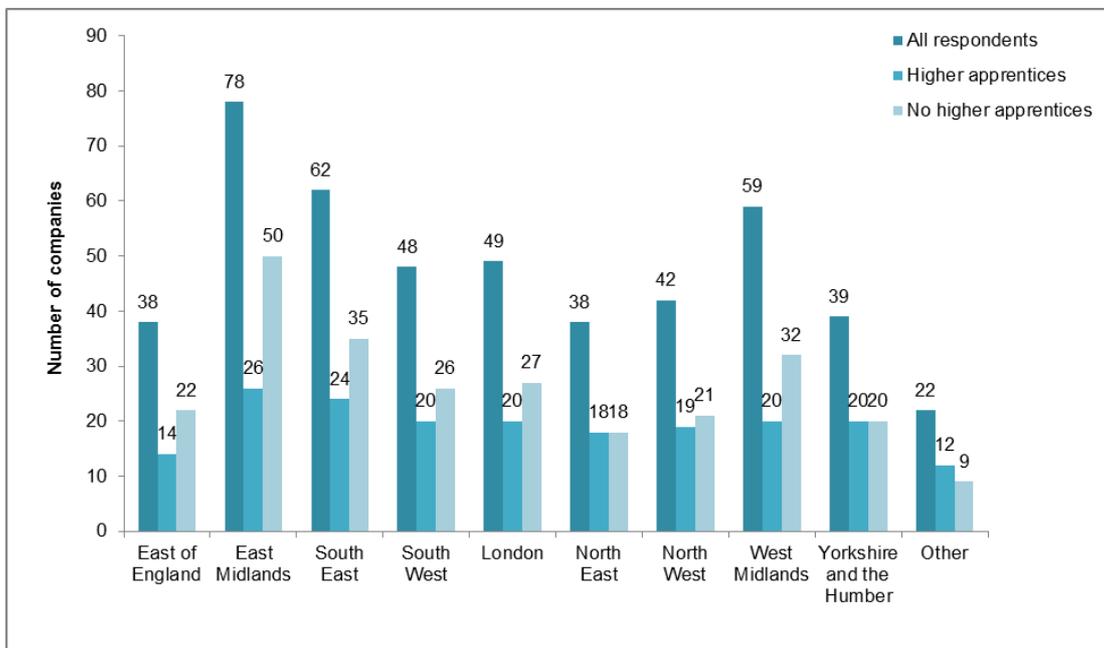
Figure A2 shows that companies from over 21 industrial sectors completed the survey including from Construction, Education, Engineering, Manufacturing, Health and Social Work and Professional Services.

Figure A2: Industrial sectors (core industrial sectors companies operated in)



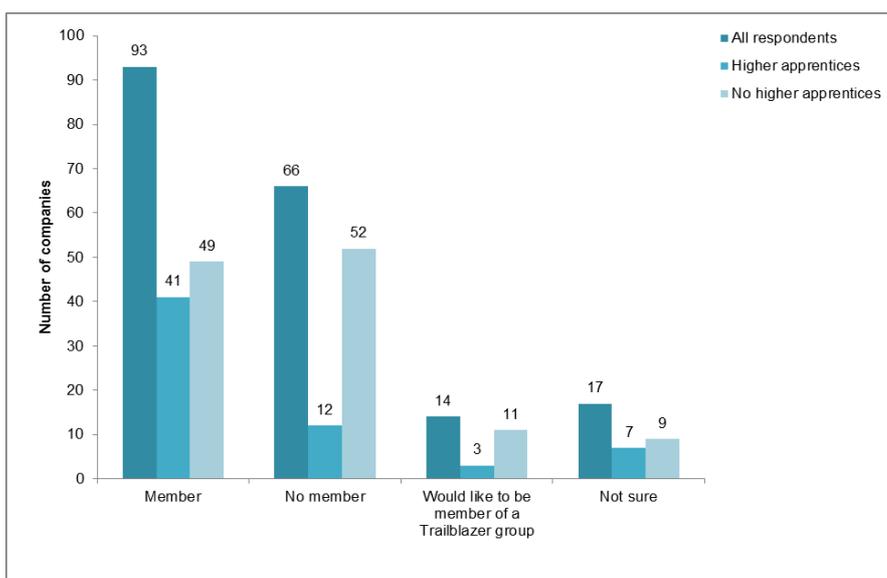
Employers were also asked which region of England the company was based in. Figure A3 shows that there was a widespread representation of companies in all nine regions of England.

Figure A3: Regions of England



Finally, employers were asked whether they were members of or were involved in Apprenticeships Trailblazer groups. Just under half of all the respondents (93) were members of a Trailblazer group and two thirds (41) of the companies that offered Higher Apprenticeships were members, see figure A4.

Figure A4: Trailblazer group



Interview sample

The eleven semi-structured interviews took place in May and June 2015 and were conducted both face-to-face and over the phone with Apprenticeship Managers, Human Resource Managers, Directors of the company or their equivalent.

Interviewees were chosen to represent small, medium and large scale companies across a range of industrial sectors including Architecture, Automotive Industry, Construction, Engineering, Equestrian Sector, Health and Care Sector, Information and Technology, Local Council, Manufacturing and Transportation.

Two companies employed 10 or fewer members of staff, one company employed between 251-500 employees and eight companies employed 500 or more members of staff. Eight companies were members of or involved in a Trailblazer group and three companies were not and all nine regions of England were represented.

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