

Apprenticeship Recruitment: Barriers and Benefits

An overview of current research
and resources

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**Plumbing
Heating
Skills
Partnership**

STANDARDS • QUALIFICATIONS • APPRENTICESHIPS

Apprentice recruitment: barriers and benefits

An overview of current research

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1 Barriers to Apprentice Recruitment

1.1 Barriers to Apprenticeship Uptake - JTL, November 2018

JTL commissioned research in partnership with the Enterprise Trust, to investigate the main barriers to take up. In particular, they were seeking evidence to help them produce new advice, information and guidance for small and medium sized employers to encourage them to employ apprentices.

More than 95% of the people questioned were sole traders or small companies employing ten or less employees. Of those surveyed, 92% of sole traders have never employed an apprentice. Of those responding, 47% of respondents working in the JTL sectors had experience of hiring an apprentice but only 23% currently employ an apprentice.

- 61% wanted the costs and funding clearly explained.
- 52% wanted to know what support is available to them if they decided to recruit.
- 33% showed concern around the time commitment involved and needed a clearer understanding of how much time is spent in training 'off the job' – in college or a training centre.
- 28% of small employers needed to know how long an apprenticeship takes, to help decide if they could commit to the necessary period of time involved in training an apprentice.
- Only 21% of employers working in JTL's sectors indicated that they would not need any additional support if they were going to recruit a new apprentice.
- 33% of respondents suggested that face to face meetings with a dedicated assessor would be helpful
- 32% thought a support line offering help with apprenticeship related queries would make sense. 31% wanted an online platform to help monitor their apprentices progress
- 27% wanted help with apprentice selection
- 16% said they would value help with interviewing apprenticeship candidates.

More information: <https://www.jtltraining.com/news/new-research-identifies-barriers-to-apprenticeship-uptake/>

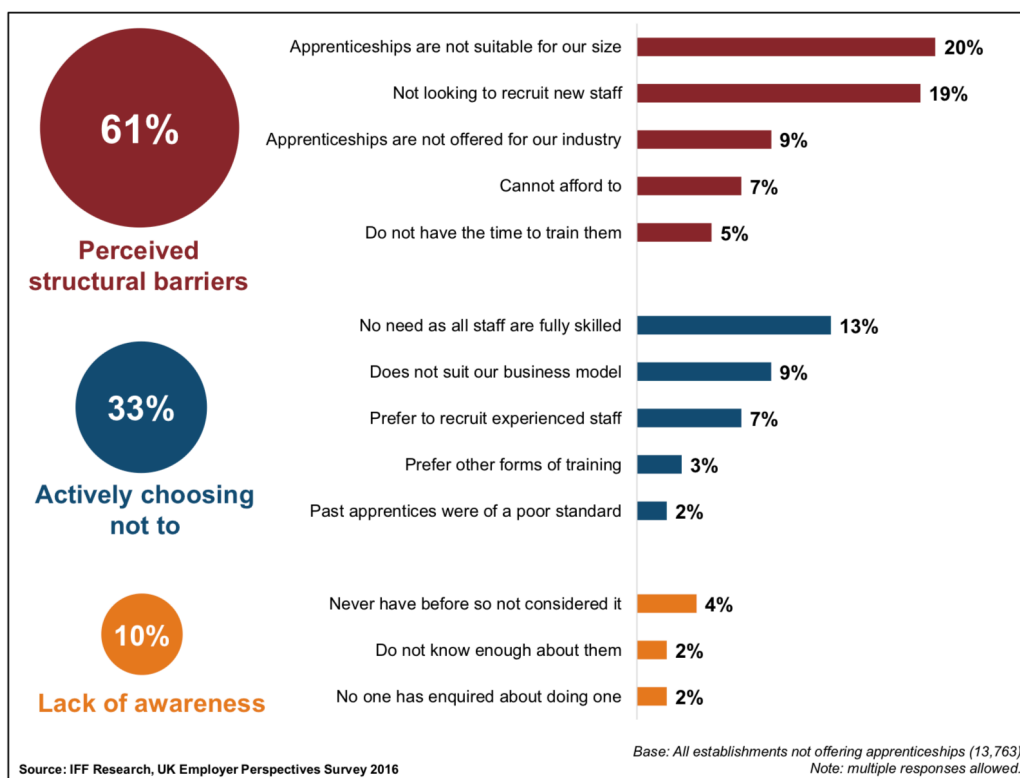
1.2 Employer Perspectives Survey 2016 - Department of Education, June 2017

This survey captured the views of over 18,000 employers across the United Kingdom. Interviews were conducted at an establishment level, with the most senior person at the site with responsibility for human resources. The study predominantly focusses on what drives employers' decisions around recruitment and people development. A key section on Apprenticeships provides insights into barriers (shown below) and benefits (see section three).

The barriers presented were grouped largely under three themes:

- **Structural barriers** that employers perceived to be preventing them from offering apprenticeships, such as the perception that apprenticeships are not available for certain sectors, or are unsuitable for establishments of certain sizes, or that apprenticeships are too financially demanding;
- **Active reasons** that establishments cited for choosing not to offer apprenticeships, such as feeling that their staff do not need training or preferring to recruit experienced staff; and
- **A lack of awareness** of apprenticeships in terms of what is involved, or never having considered offering apprenticeships, or never had anyone enquire about undertaking one.

Figure 5.10 Main reasons for not currently offering apprenticeships (unprompted)



More information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/622343/EPS_2016_UK_Report.pdf

1.3 The Apprenticeship Levy: one year on - Open University, April 2018

The Open University commissioned independent market research among 750 senior business leaders from large employers and SMEs across the UK. The research primarily focused on employers' experiences and expectations of the levy but also included a section on barriers to apprentice recruitment:

- 16% said developing a strategy for apprenticeships is a drain on management's time
- 15% said researching apprenticeship programmes and providers is a drain on management's time
- 11% said management of the entire apprenticeship process is a full-time job we just can't afford
- 10% said deciding how to use the funding is a huge task and my organisation doesn't know where to start

More information:

<http://www.open.ac.uk/business/sites/www.open.ac.uk.business/files/files/apprenticeship-levy-one-year-on.pdf>

2 Information, Advice and Guidance for Employers

2.1 Employer Guide to Apprenticeships - National Apprenticeship Service, July 2018

This guide features the top 7 myths about the apprenticeship programme, dispelling misconceptions on the following points:

- As my levy funds expire after 24 months then I cannot use them to fund all of an apprenticeship that lasts longer than 24 months
- If you don't spend all your levy, it gets spent by central Government on other things
- 20% off-the-job training is inflexible: it has to involve 1 day off a week, spent in college
- Providers have to advertise vacancies for us
- Apprenticeships cannot be used for existing staff
- Apprenticeships are only entry level – they are for low skilled people
- Apprenticeships are only for young people aged 16-18

It also clarifies the situation around transferring levy funds, addressing the following myths:

- You can only make a transfer of apprenticeship service funds to an employer in your supply chain
- You can fund any apprenticeship with a transfer
- If an employer makes a transfer to another employer, they won't know what they will spend it on
- Can I transfer 10% of my apprenticeship service funds to a charity as a gift?
- Training providers can transfer apprenticeship service funds and deliver the training
- You can only fund one apprentice at a time with a transfer and you can only make one transfer transaction
- If my 10% transfer is less than the cost of the apprenticeship standard, can I still transfer my funds to pay for that apprenticeship? For example, if I can transfer £10,000 but the apprenticeship standard I want to fund costs £27,000
- I want some of my unspent levy funds to be used to help others by aggregating some of my funds with theirs, but I can't do that.

More information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740254/Employer_guide_to_apprenticeships.pdf

2.2 Toolkit: helping SMEs hire more apprentices - All Parliamentary Group on Apprenticeships (APPG), February 2018

This toolkit seeks to bridge the gap between the benefits that SMEs derive from employing apprentices and the challenges they face in engaging with the system. It provides some bulleted basic information to explain simply to employers about:

- What funding is available to SMEs to hire apprentices?
- What's the process for hiring an apprentice
- What are Apprenticeship Frameworks and Standards
- Case studies and useful contacts.

More information: <https://connectpa.co.uk/wp-content/uploads/2018/02/SME-toolkit-online-version-LR.pdf>

2.3 Test Drive Talent support material - SummitSkills, Dec 2012

The Test Drive Talent campaign was established to encourage employers to offer work placements. Included within the employer support documents was a 'Common Myths and Questions' pack that address some common misconceptions and queries around work placements, such as:

- My staff and I will need to be CRB checked before placements.
- I will need to pay extra insurance for a student.
- I will have to pay a wage and travel expenses to the student.
- Work experience only takes place in July for a two week block.
- The nature of our work means it's a health & safety headache.
- How can I get work done effectively if a member of staff or I have to supervise someone all day?
- What sort of student will I get for a work placement?

More information: Test Drive Talent materials available from BPEC on request.

2.4 Apprentice Ambassador Network

The Apprentice Ambassador Network is a group of employers whose main aim is to spearhead the drive to engage new employers in England to commit to apprenticeships. They undertake their ambassador role (on a voluntary basis) by supporting and influencing a wide range of key stakeholders including schools, colleges, local enterprise partnerships, employers and their supply chains, trade associations and employment bodies. They champion and support marketing, publicity and events to raise awareness of apprenticeships and also mentor other employers.

More information:

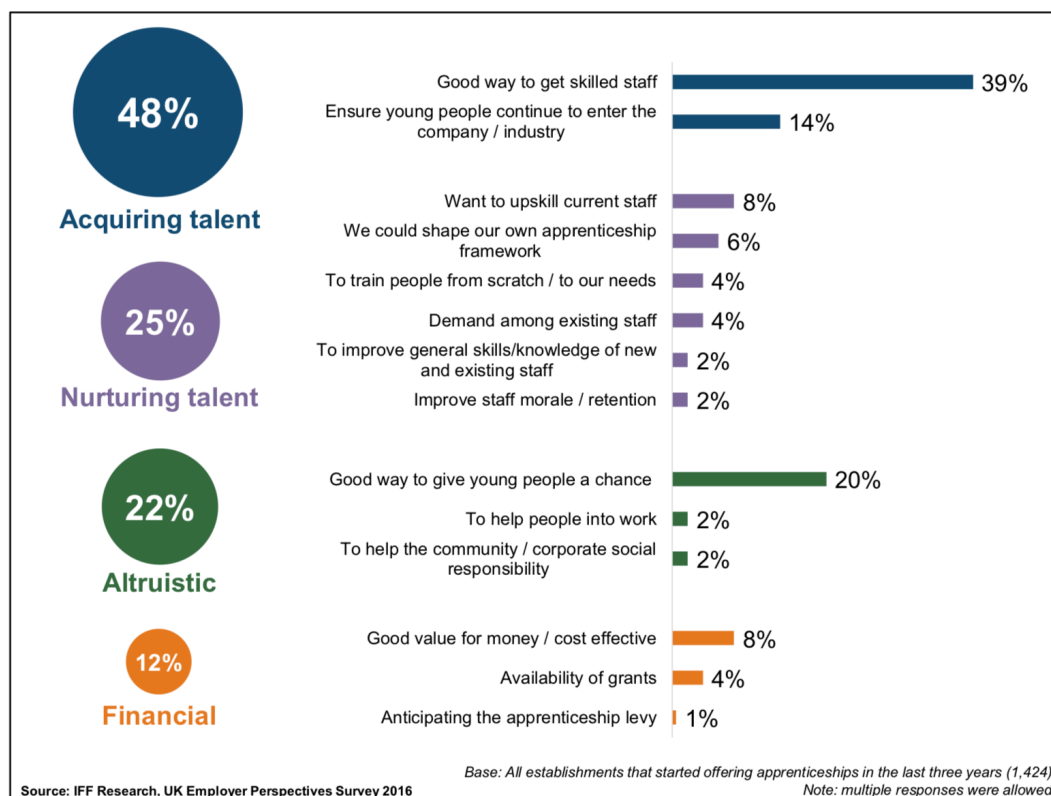
- Apprentice Ambassador Network strategy: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751150/AAN_strategy.pdf
- Young Apprenticeships Ambassador Network: <https://amazingapprenticeships.com/yaan/>

3 Benefits of Apprentice Recruitment

3.1 Employer Perspectives Survey 2016 - Department of Education, June 2017

As previously mentioned in section 1.2, this survey captured the views of over 18,000 employers looking at what drives their decisions around recruitment and people development. A dedicated section on Apprenticeships presented the reasons why respondents offered apprenticeship, giving some useful insight into the benefits companies gain.

Figure 5.8 Reasons why establishments started offering apprenticeships (unprompted)



More information:

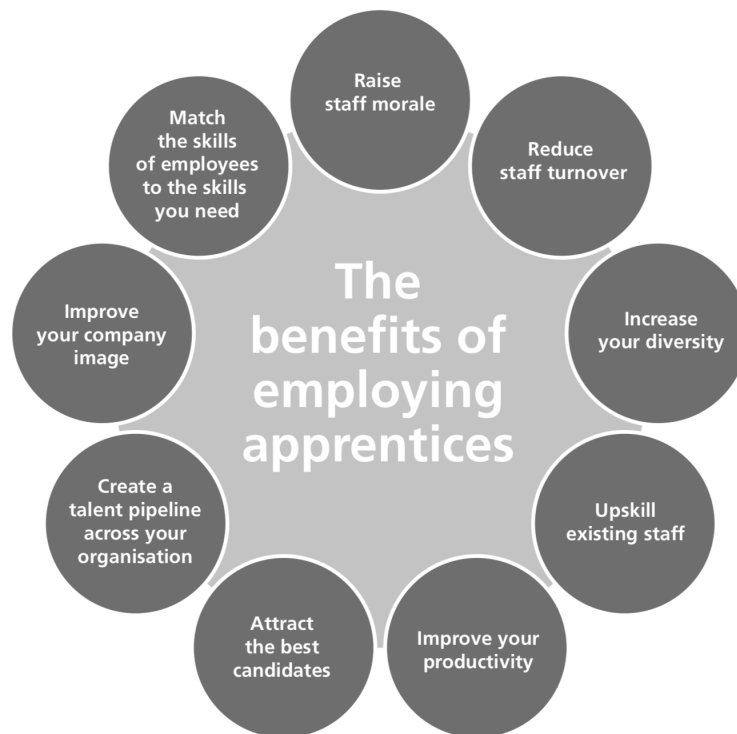
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/622343/EPS_2016_UK_Report.pdf

3.2 Achieving the Benefits of Apprenticeships: a guide for employers – National Apprenticeship Service, October 2018

This guide presents hints and tips on how to realise the benefits that apprenticeships deliver, how to measure the success of your apprenticeship programme. Key findings include:

- **96%** of employers with apprentices have experienced at least one benefit from taking on apprentices, and most can count at least 8 benefits.
- **74%** of employers say that apprentices improved products or service quality, and **78%** say that they improved productivity. Apprentices become highly skilled even before they finish their training.

- **86%** of employers said that apprentices helped to develop relevant skills for the organisation, and to fill the skills gap.
- **69%** of employers say that employing apprentices improved staff retention. **65%** of apprentices stay working for the company that trained them when they complete their apprenticeship.
- The Centre for Economics and Business Research calculated that on average an apprentice generated an **annual return of £1,670** in 2013 to 2014.⁵



More information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/750903/Apps_A5_Achieving_the_benefits-280918-2.pdf

3.3 Test Drive Talent support material - SummitSkills, Dec 2012

Within the Test Drive Talent support materials (as mentioned in section 2.3) was a number of reasons to recruit an apprentice. This covered:

Why should you consider taking on an apprentice?

- An extra pair of hands could make your work easier and more profitable.
- It's cheaper than employing an experienced worker.
- A young person will have the flexibility to adapt to your business.
- Bring new knowledge and ideas into your business.
- Talented young people are keen to work for you rather than getting university debts
- Help a young person to get a trade and avoid unemployment.
- Ensure the future of your business – your business cannot grow unless you recruit and you may want someone to take over the business when you retire.

Why offer an apprenticeship, not just a job?

- It will attract good people who want to learn and work for you.

- Add to and update the skills within your business.
- Your new recruit will develop homegrown skills tailored to your business
- Gain the qualifications to help you win contracts - some contracts are only available to businesses that employ apprentices
- Staff whose employers invest in them show more loyalty. Recruiting an apprentice now should reduce your recruitment costs in future.
- Avoid future skills shortages and gain a competitive edge for your business.
- The government will pay apprenticeship training costs (course fees) in full for young people aged 16 to 18 and 50% for those aged 19 to 24
- Apprenticeship salaries and other costs of hiring and managing apprentices are 100% tax deductible.
- It's the right thing to do – for your business, for a young person, for your industry and for society.

More information: Test Drive Talent materials available from BPEC on request.

3.4 10 reasons to hire an apprentice – CBI, March 2018

This news article elaborates on each of the key benefits below:

- 1 Close the skills gap
- 2 Drive diversity
- 3 Benefit from fresh thinking
- 4 Boost retention and commitment
- 5 Improve productivity
- 6 Develop your senior talent
- 7 Secure your business for the future
- 8 Contribute to your local community – and the health of UK plc
- 9 Boost your reputation
- 10 Use – don't lose – your Levy contribution

More information: <http://www.cbi.org.uk/businessvoice/latest/10-reasons-to-hire-an-apprentice/>

3.5 Employer Guide to Apprenticeships - National Apprenticeship Service, July 2018

As well as dispelling myths about apprenticeship training and funding, this guide also highlights some brief benefits of apprentice recruitment:

- Hiring an apprentice is a productive and effective way for any business to grow talent and develop a motivated, skilled and qualified workforce.
- Employers who have an established apprenticeship programme reported that productivity in their workplace had improved by 76% whilst 75% reported that apprenticeships improved the quality of their product or service.
- Other benefits that apprenticeships contribute towards include increasing employee satisfaction, reducing staff turnover and reducing recruitment costs

More information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740254/Employer_guide_to_apprenticeships.pdf

3.6 Employer Investment in Apprenticeships and Workplace Learning: The Fifth Net Benefits of Training to Employers Study – Department of Business, Innovation & Skills, May 2012

The aim of the study was to identify the costs and benefits employers derive from apprenticeships and workplace learning. As well as estimating the costs and benefits of providing each form of training, the study also sought information from respondents about why they invested in Apprenticeships and WPL, how the training decision was made, and what were the perceived benefits of having made the investment.

The study is based on a relatively small number of in-depth case studies. The results should be, therefore, regarded as indicative rather than being a definitive account of employers' investments in Apprenticeship and WPL.

Section 4 looks specifically at a group of construction firms and is useful for further reading to look specifically at the work and research carried out with these companies.

The decision to recruit apprentices across the case study employers was driven by the following considerations:

- bringing younger workers into the industry;
- a need to meet future skill needs in the industry;
- developing staff for the specific skills needs of the business;

More information:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32306/12-814-employer-investment-in-apprenticeships-fifth-net-benefits-study.pdf

3.7 The Benefits of Apprenticeships to Businesses – Centre for Economics and Business Research, March 2015

This report examines the benefits that apprentices can offer businesses across the UK both while they are training and long after they have completed their apprenticeships.

Overall, apprentices, while training, are estimated to have resulted in a positive net gain to employers of on average £1,670 per apprentice in England in 2013/14.

Once an apprentice has completed training, there are additional long-lasting benefits, both for the apprentice and for businesses. Long-term productivity gains from apprenticeships were found to be highest in the engineering & manufacturing sector and the construction & planning sector, at £19,900 and £19,200 per year respectively.

Employers report that apprenticeships bring added gains to their business above and beyond the narrow benefits of productivity and economic output. "Other benefits" of apprenticeships, as identified by employers, included a better image in the sector, improved staff retention levels and improvements in staff morale.

Even while an apprentice is undertaking an apprenticeship and not yet fully qualified, many employers will see economic benefits over and above wage and training costs.

Figure 11: Benefits organisations have achieved from hiring apprentices



More information: <https://cebr.com/wp/wp-content/uploads/2015/03/The-Benefits-of-Apprenticeships-to-Businesses.pdf>

3.8 Department for Business, Innovation and Skills – Employer Influence on Apprenticeships, March 2014

The report mostly looks at why employers take part in apprenticeship development, strategy, influence and so on, but does have a section on recruitment. Chapter 2 looks at SME motivations for providing Apprenticeship training. The SMEs in the sample were motivated to offer Apprenticeships for a range of reasons, which differed according to their sector and how embedded Apprenticeships were as the standard form of training within it. Some key findings were:

- Employers in the more traditional Framework areas were more likely to have a personal history of completing an Apprenticeship themselves and also more likely to be delivering Apprenticeships due to this being the standard training route within their sector. As a result, they had strong personal and business investment in Apprenticeship training.
- Employers in the newer, growth Framework areas were more likely to see Apprenticeships as a way of offering free or subsidised training to retain and up-skill their existing staff. In our sample, it was employers in the newer Framework areas who were also more likely to have been persuaded to offer Apprenticeships at the instigation of a training provider

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284766/bis-14-601-employer-influence-on-apprenticeships.pdf

4 Reference Material

4.1 Industry Insights: Construction Skills Network forecasts 2018-2022 – CITB/Experian

The Construction Skills Network collects and produce information on the future employment and training needs of the industry. This report presents various forecasting figures on all areas of the construction industry and regions across the UK, covering: total employment by occupation, number of new recruits needed annually and total construction employment growth.

https://www.citb.co.uk/documents/research/csn_reports_2018-2022/csn_national_050218.pdf

4.2 Do Apprenticeships Pay? Evidence for England – Centre for Vocational Education Research, September 2018

This is a paper that looks at benefits for the apprentice themselves rather than for the employer. It analyses the payoff to apprenticeships for young people in the short term (when they are around 23 years old) and after a few years in the labour market (around 28 years old).

<http://cver.lse.ac.uk/textonly/cver/pubs/cverdp015.pdf>

4.3 Apprenticeship Cost-Benefit Analysis - SummitSkills, May 2009

This summary document demonstrates that labour cost savings can be made by incorporating apprentices into workforce, with minimal skill level changes to overall team/gang on a major project. For minor works, correctly managed apprentices, even allowing for learning time on each element of work, can provide a cost-effective solution to reducing labour costs.

Document available from BPEC on request.

4.4 Methods of Stimulating Apprentice Recruitment in the Plumbing Industry – BPEC, April 2013

This report was produced as part of a project to develop an apprenticeship model that met the needs of the industry. Part of the work included a survey to training providers which included questions about apprenticeship recruitment and barriers. It was suggested that the 'Test Drive Talent' process originally developed by SummitSkills could provide a catalyst to break down some barriers and lack of awareness.

Document available from BPEC on request.

4.5 5% Club - Fulfilling our potential: How skills training unlocks shared prosperity

Members of the 5% Club aspire to having at least 5% of their UK work force in "earn and learn" positions within 5 years of joining. Based on interviews with a cross section of members, this report primarily sets out employers' current concerns with the Levy, however there is some coverage on general apprenticeship comments including:

- the greatest priority is to ramp up awareness-raising efforts on the value of apprenticeships, especially to quash the view that they are only for those not bright enough to get into university
- accessing good quality specialist training locally is one of the key barriers to taking on more apprentices, especially outside London and the southeast.

https://www.5percentclub.org.uk/wp5pc/wp-content/uploads/2018/02/Fulfilling-Our-Potential_5-ClubFINAL.pdf