

Review of Apprenticeships Research

Final Report: An updated review

Prepared for

The National Apprenticeship Service
and the Department for Business, Innovation and Skills

By

Institute for Employment Research
University of Warwick
Coventry, UK
CV4 7AL
Lynn.Gambin@warwick.ac.uk

WARWICK INSTITUTE *for*
EMPLOYMENT RESEARCH



August 2013

CONTENTS

1.	Introduction.....	1
2.	Apprenticeships in England	3
2.1	Latest Policy	3
2.2	Current Participation	4
3.	Recent research: INDIVIDUAL APPRENTICES.....	6
3.1	Research Themes.....	6
3.2	Participation of Learners	6
3.3	Attractiveness of Apprenticeship.....	7
3.4	Apprentice Satisfaction	11
3.5	Barriers to Participation.....	12
3.6	Summary	13
4.	Recent research: EMPLOYERS	15
4.1	Research Themes.....	15
4.2	Employer Engagement	15
4.3	Employer Benefits and Motivation for Engagement.....	17
4.4	Employer Satisfaction	20
4.5	Barriers to Participation.....	20
4.6	Employer Costs and Funding Issues.....	22
4.7	Employer Control and Influence	25
4.8	Summary	26
5.	Wider Themes of Research on Apprenticeships	28
5.1	Key Themes in the Research.....	28
5.2	Progression.....	28
5.3	Quality	32
5.4	Wages and Conditions of Employment	35
5.5	Returns to Apprenticeship.....	36
5.6	Advice and Guidance.....	44
5.7	Approaches to Delivery and Funding	45
5.8	Summary of Wider Research Themes	48
6.	Final Comments.....	50
	Bibliography	51

1. INTRODUCTION

Apprenticeships are set out as a major component of the Government's skills strategy and are considered to be important in helping to drive and support economic growth. Current policy presents Apprenticeships as a means to improve and expand national vocational skills supply and the programme is considered to be particularly well placed to help provide entry to employment for young people through training positions. The Government has continued to make substantial investments in Apprenticeships in the currently constrained fiscal context and the programme has been one of the State-sponsored programmes which have survived two spending reviews, with the latest Spending Round (June 2013) highlighting that reducing the budgets of central government departments will allow more funding to be put into Apprenticeships. Given Government's commitment to supporting and expanding the programme there is a need to ensure Apprenticeships are functioning and with expansion of the programme there is even greater interest in ensuring quality.

The quantity of reviews and level of interest amongst researchers in the programme recently is unsurprising. Staying abreast of the evidence base regarding Apprenticeships is not an easy task but it is essential for policymakers to do so. Over the past year, the University of Warwick Institute for Employment Research (IER) has carried out a review of research on Apprenticeships with a focus on the most recent evidence available. The review produced an initial review of literature published between January 2010 and February 2012, followed by overviews of subsequent publications on a monthly basis to March 2013. The primary aim of this review of Apprenticeships research has been to provide interested parties, particularly those within sections of BIS and NAS with up to date information on the evidence base and debate that is relevant to the programme. The interest in Apprenticeships over the past 3 years has been tremendous and growing as reflected by the volume of publications produced during the period of this review. In total, the initial literature review and the monthly updates (Gambin *et al*, 2012 and Gambin (2012)) have summarised more than 210 items (115 in the initial review and more than 100 in the updates, excluding press/social media coverage of relevant issues). The materials covered by the review have included government commissioned research reports, academic journal articles and reputable working papers. Whilst the focus has been on England (and the UK), relevant international evidence has also been included.

This final report is meant to update the project's initial overall literature review, drawing on material published and summarised in the monthly updates. As in the initial literature review, this report provides discussion aligned with key themes which have emerged in the research and other publications over the course of the project. This organisation of the review is meant to highlight the policy-relevance of various outputs.

The remainder of this report is structured as follows. The next chapter considers the recent policy developments in Apprenticeships and current participation in the programme. The main review of literature is presented in Chapters 3 to 5. The chapters consider recent research on: the individual apprentice (Chapter 3); employers (Chapter 4); and other, cross-cutting key themes (Chapter 5). Concluding remarks are provided in Chapter 6.

2. APPRENTICESHIPS IN ENGLAND

2.1 Latest Policy

As in the initial review and throughout this study, Apprenticeship is defined in this report as the publicly funded training programme which has become the principal work-based training option for many young, and increasing numbers of older, people in England. Apprenticeships as a training programme have been subject to much review and reform following the introduction of Modern Apprenticeships in 1994. As discussed above, the current Government (since 2010) has expressed commitment to growing the Apprenticeship programme and also to ensuring its quality. This can be seen through many of the reviews and studies which have been commissioned by BIS in the past year and previously. The programme has been the subject of much analysis, review and inquiry, with one of the latest major reviews, the Richard Review of Apprenticeships, being published in November 2012. Recent policy has largely focused on the definition and quality of Apprenticeships, funding arrangements and cost-sharing between the State, employers and learners, and measures to promote further engagement with Apprenticeships amongst employers, particularly SMEs. BIS and NAS (2012) set out a number of measures ‘to ensure more young people benefit from an Apprenticeship and to make it easier for employers to take on apprentices’, including:

- introducing the 12 month minimum duration of Apprenticeships for 16 to 18 year olds in order to ensure quality of the programme;
- commissioning of the Richard Review of Apprenticeships (published November 2012);
- commissioning the SME Review, led by Jason Holt, which aimed to consider the barriers (and ways to overcome these) faced by SMEs in engaging in Apprenticeship training (Holt, 2012);
- introducing the Apprentice Grant for Employers (introduced in April 2012) which is paid to SMEs who take on their first apprentice aged 16 to 24 years.

In May 2012, NAS released a Statement on Apprenticeship Quality which defined an Apprenticeship as ‘a job with an accompanying skills development programme designed by employers in the sector.’ Within this definition, Apprenticeships allow individuals to gain technical knowledge and practical experience in a real workplace as well as other functional and personal skills which are required not only for apprentices’ current jobs but also for their future careers. This statement also set out a number of requirements for high quality delivery of Apprenticeships.

One of the most prominent changes in Apprenticeship policy in recent years has been the funding arrangements based on the age of apprentices – in particular the introduction of

loans in Further Education (24+ advanced learning loans). These loans are to operate in a manner similar to student loans in Higher Education and will be in effect from the 2013/14 academic year. Loans will be available for learners in Further Education and training aged 24 years and above studying at Level 3 and above, including Advanced and Higher Apprenticeships. Learners have been able to apply for these loans since April 2013.

The Holt Review considered the position of SMEs and set out recommendations of how to promote further engagement with Apprenticeships amongst SME employers. Holt's main recommendations relate to: 1) communication – raising awareness of the benefits of Apprenticeships; 2) empowerment – enabling SMEs to get the best from their training providers; 3) simplification – clarifying ownership and responsibility for the programme and removing barriers. The Richard Review sets out the 'core defining principles of an Apprenticeship' and recommends redefining the programme with an emphasis being placed on Apprenticeships as new roles for new employees with provision being at Level 3 or higher. Richard emphasises the role of the employer and recommends that employers be more involved in designing and developing Apprenticeships. He also recommends reform of the funding system so that it creates the right incentives for employers in particular – he recommends that purchasing power for Apprenticeships be placed firmly in the hands of employers. Subsequent to the Richard Review, there has been further debate and analysis to determine the appropriate response to Richard's recommendations, especially with respect to the implementation of key reforms (e.g. introduction of employer-routed funding for Apprenticeships). Overall, Government has accepted the recommendations of the Richard Review but as yet, plans for implementation of reforms have been set out mainly at a high level (DfE/BIS, 2013a). The Departments have carried out a consultation on key questions following on from Richard's recommendations. The coming months and years will most definitely see further reforms of Apprenticeships in England in response to the findings of various reviews and analyses carried out over the past 3 years.

2.2 Current Participation

The significance of Apprenticeships as a training programme is obvious in the number of learners undertaking, and completing, this form of training. There was a steady increase in the number of starts between 2006/07 and 2009/10 and between 2009/10 and 2010/11 there was a markedly larger increase. In 2010/11 there were 457,200 Apprenticeship starts (all ages and levels) representing an increase of 63.5 per cent from 2009/10 when the total number of starts was 279,700 (DS/SFR19, June 2013). The number of starts continued to increase further in 2011/12 though due to a change in data collection, figures from this year onward are not directly comparable to earlier periods.

Provisional figures for 2012/13 are not directly comparable to previous years but the latest Statistical First Release (SFR) (June 2013) data suggest a decline in starts overall and a

continuing decrease in the number of Apprenticeship starts by individuals under 19 years of age. This finding may reflect the continuing difficult economic conditions affecting employer demand for apprentices (and skills more generally) as well as changes to funding arrangements and other changes in the Apprenticeship and FE system.

The results of the National Employer Skills Survey for England in 2009 (NESS09) (UKCES, 2010)) indicate a high degree of awareness of Apprenticeships amongst employers with 91 per cent of establishments being aware of Government-funded Apprenticeships. The NESS09 results also show that despite a great level of awareness, employer engagement with Apprenticeships tends to be low – overall, eight per cent of employers offered Apprenticeships, but only four per cent employed apprentices at the time of the survey.

More recently, the Employer Perspectives Survey 2012 (EPS2012) (Shury *et al*, 2012) indicates that 14 per cent of employers in England offer formal Apprenticeships and 9 per cent of employers employed formal apprentices at the time of the survey. Awareness of different programmes within Apprenticeship in England varies with 23 per cent of employers aware of Advanced Apprenticeships, 20 per cent aware of Intermediate Apprenticeships and 19 per cent being aware of Higher Apprenticeships. Whilst awareness has fallen somewhat compared to the survey's previous results (EPS2010) with respect to Advanced and Intermediate Apprenticeships, employer awareness of Higher Apprenticeships has increased from 13 per cent of employers in 2010 to 19 per cent in the 2012 survey.

3. RECENT RESEARCH: INDIVIDUAL APPRENTICES

3.1 Research Themes

In the initial report produced for the review a number of themes related to the position of individuals (apprentices themselves) emerged in the evidence including, the attractiveness of the Apprenticeship programme to individuals; equality issues and barriers to participation; approaches to assisting disadvantaged groups (e.g. particular ethnic groups); improving participation of individuals in Apprenticeship; and the impact of loans (and other financing issues) on participation levels. This chapter presents a review of recent publications (produced since the initial review report) which also focus on the position of individual apprentices and includes studies mainly along the same themes as indicated previously however, there has been some shift in the focus of research and policy. In the remainder of this chapter, the following subjects are considered:

- further details about learner participation in Apprenticeships (e.g. characteristics of learners, programmes undertaken);
- the attractiveness of Apprenticeships to potential learners;
- learner satisfaction with the programme; and,
- barriers to participation (including differences in participation by ethnic background).

Other issues which are pertinent to individuals but also more widely (e.g. financing, information, advice and guidance) are summarised in Chapter 5.

3.2 Participation of Learners

As noted above (see section 2.2) the profile of apprentices has been changing in recent years, particularly with regards to the age of learners. Based on the Evaluation of Apprenticeships survey of learners¹, Vivian *et al* (2012) found that relatively more of the respondents who were current apprentices were aged 25 years and older (39 per cent) compared with 21 per cent of those who had completed. There was a fairly even split between male and female amongst recent completers but for current apprentices, there was a slight imbalance with more than half (54 per cent) being female. In Europe more widely, there are also some imbalances regarding participation in Apprenticeships. Cedefop (2012) consider data from the EU-LFS 2009 *ad hoc* module and report that across the EU, relatively

¹ Results from the more recent Evaluation of Apprenticeships surveys of learners and employers are now available but due to the timing of their publication are outside the material covered in this review. The 2012-13 survey results may be found in Tu *et al* (2013) *Apprenticeship Evaluation: Employer*, BIS Research Paper Number 123 and Higton *et al* (2013) *Apprenticeship Evaluation: Learners*, BIS Research Paper Number 124.

more men than women had done an Apprenticeship (25 per cent of men versus 22 per cent of women).²

Apprentices in the evaluation survey of learners were predominantly from White backgrounds with only nine per cent being non-White and apprentices were also more likely to come from lower socio-economic backgrounds than found across the adult population as a whole.

Vivian *et al* also analyse data from the ILR and report that the balance between Level 2 and Level 3 provision varies by framework, e.g. retail comprises a higher proportion of Level 2 (84 per cent) than Level 3 whereas in construction provision was predominantly at Level 3 (55 per cent). The age profile of apprentices also varies across frameworks, with under-19s comprising a relatively small share of apprentices in health, public services and care frameworks (18 per cent) for example, compared to the majority of apprentices in construction (59 per cent).

About one-third of apprentices in the survey reported that they were recruited specifically as an apprentice – the rest already worked for their employer prior to starting an Apprenticeship. This too varies by framework, with apprentices most often being newly recruited for Apprenticeships in engineering and manufacturing technologies, ICT and construction, planning and the built environment. This compares to around three quarters of those apprentices in health, public services and care, retail and commercial enterprise and business, administration and law being existing employees at the start of their Apprenticeship.

3.3 Attractiveness of Apprenticeship

Participation of learners in the programme indicates that there is substantial interest in Apprenticeships overall and anecdotal evidence suggests that in many instances, applications for Apprenticeships far outstrip the number of places available. A number of studies have considered what it is about this form of training that attracts individuals and what learners and former apprentices perceive as the benefits of Apprenticeships.

Two major BIS-commissioned studies by IFF Research and the Institute for Employment Research (IER) published in May 2012 involved the survey of apprentices and employers of apprentices (Vivian *et al*, 2012 and Winterbotham *et al*, 2012, respectively). The survey of learners collected data on 5,000 apprentices in 2011 (individuals were either currently undertaking an Apprenticeship or had completed one in the previous 12 months). The report for the learner study (Vivian *et al*, 2012) considered the characteristics of apprentices,

² The relatively higher uptake of Apprenticeships by women in England compared to the European average is likely to be at least partly due to Apprenticeships in England being available in a wider range of sectors, in many of which there are relatively high proportions of women working (e.g. health and social care, retail, hospitality).

the motivations underlying their decision to engage in Apprenticeships and their satisfaction with their training. Amongst all surveyed apprentices, the main motivation reported for undertaking their Apprenticeship was in order to progress their career (reported by 48 per cent of all apprentices). A further 35 per cent were mainly interested in achieving a qualification whilst just 13 per cent were mainly motivated by the opportunity to be paid while learning. Where apprentices were existing employees (i.e. they were not newly recruited specifically for an Apprenticeship position), they were mainly motivated by a desire to obtain a qualification (40 per cent) – this compares to fewer new recruits reporting the same (27 per cent).

Findings related to Apprenticeships from the 2012 NIACE Adult Participation in Learning Survey indicated that 6 per cent of respondents undertake an Apprenticeship as a way to develop new skills for work compared to 19 per cent enrolling on a training course outside of work in order to develop new skills. Men were found to be more likely to rely on developing skills on the job or undertaking an Apprenticeship as means of developing new skills for work compared to women.

In a smaller and locally focused survey of just less than 200 students in West Yorkshire, Swift and Fisher (2012) considered the views of young people towards vocational education. The authors found that the potential future earnings return was an important issue in students' attitudes towards career choices. Schools were found to inadequately inform students about vocationally related qualifications and socially embedded values and attitudes were also found to have a negative effect on awareness and views of vocational education. Even so, of the 197 students surveyed 34 per cent planned to undertake vocational qualifications. Many students were uncertain regarding whether or not vocational qualifications had a high status or not (42 per cent) whilst more were certain that academic qualifications were highly regarded (71 per cent). The overall impression amongst the majority of students was that without A Levels, their career prospects were limited (e.g. they would not get the 'top' jobs). This study was based on a small sample of students in a particular region in the UK and though it provides helpful insights regarding attitudes towards vocational qualifications and into the sources of particular attitudes to career/education pathways, it is limited and results should be viewed appropriately.

One of the key issues often highlighted by employers and training providers about the lack of interest in Apprenticeships from many school leavers, particularly those with high academic achievements in school, is the influence of parents and teachers and their attitudes to vocational routes along with the relatively incomplete information being available through careers advice and guidance at school in relation to all available post-16 options. The CIPD (2013) carried out a survey of more than 2,100 employees in the UK with a focus on Apprenticeships. Only 2 per cent of respondents reported an Apprenticeship as their highest

level of qualification compared to 40 per cent who hold university-level qualifications or higher. The proportion of men with an Apprenticeship is greater than the proportion of women (5 versus less than 1 per cent). Amongst those with a university-level or higher qualification, just 13 per cent reported that they would not choose to go to university if given the choice again. However, 22 per cent believe they should have more seriously considered alternatives to university, such as Apprenticeship. There is therefore significant potential for IAG to be useful in promoting vocational routes, especially Apprenticeship, as a viable option for many.

In the Adult Participation in Learning Survey (CIPD, 2013), 22 per cent of employees with children 18 years of age or under ranked Apprenticeship as either their first (9 per cent) or second (13 per cent) preferred option for their children. 43 per cent reported that they had no preference and that the choice was up to their child. Nearly half (47 per cent) of employees with children aged 18 years or under agreed or strongly agreed that they would recommend Apprenticeships for their children. 67 per cent of parents agreed or strongly agreed that Apprenticeships are a good career option and 61 per cent agreed or strongly agreed that an Apprenticeship would allow their children to progress in the labour market. The rise in university tuition fees affected the preferences of parents to a degree – 23 per cent agreed or strongly agreed that higher fees meant that they would prefer for their child to undertake an Apprenticeship rather than go to university.

Despite a sizeable proportion of parents considering Apprenticeship to be a good career option and allowing for progression in the labour market, CIPD found that only 18 per cent agreed or strongly agreed that Apprenticeships have the same status as university education whilst 58 per cent disagreed or strongly disagreed. Those parents who disagreed that Apprenticeships have the same status as university were asked how their view of the value of Apprenticeships could be improved. Suggestions include: providing 'more information about Apprenticeships and related career options'; illustrative examples of high-profile former apprentices; and, having more local employers offer Apprenticeships. Amongst working parents (with children aged 18 years and under), just 15 per cent indicated that teachers provided them or their children with information about alternatives to university education. Many more (43 per cent) indicated that such information had not been provided by teachers. CIPD conclude that whilst many parents perceive value in Apprenticeships, many are ambivalent about the programme as providing a route into work for their children. The lack of information provided by teachers about the alternatives to university might contribute to uncertainty about the value of Apprenticeships and many of the survey respondents indicated that more information about Apprenticeships could help to improve the programme's image.

An online poll of about 1,800 university graduates also suggests that IAG in schools is lacking in terms of providing messages about other post-16 options as 76 per cent of respondents indicated they were not informed about alternatives before leaving school (Parr, 2013). More than half of these (54 per cent) indicated that had they received better information they would have chosen an Apprenticeship or vocational training route instead of their degree. Reasons for this include: to avoid debt (77 per cent); to obtain a better position at work (61 per cent); an Apprenticeship (or other vocational education and training (VET)) would have been less stressful than university (39 per cent); and, their degree was irrelevant to the industry in which they currently worked (31 per cent). It should be noted that this survey was carried out by *notgoingtouni.co.uk* and there is little information available on the methodology thus the findings are to be interpreted with caution.

One area of interest from the point of view of employers and policymakers is how the most able young people can be made to see Apprenticeships as an educational route which is equal in esteem and validity to more academic / general education routes (namely, A-Levels and university). Fisher and Simmons (2012) also consider the attractiveness of VET (not just Apprenticeships) in England outlining historical and recent policies and attitudes related to vocational and further education. VET is typically considered to be subordinate in status to 'academic' education and the authors conclude that there is little prospect that cultural attitudes towards vocational education will change significantly over time, even with organisational and regulatory reform. They note that the problem of achieving 'parity of esteem' between vocational and academic education is deep rooted and has yet to be effectively addressed. Some of the recent survey and qualitative evidence (such as that discussed above) lends some support to this but also indicates that views can potentially be improved through various efforts and provision of better information.

Mann and Caplan (2012) summarise a number of approaches/ actions employers in particular, might take to change young people's perception of Apprenticeship. The main recommendation is for employers to engage with young people whilst they are still at school. This is similar to the views expressed in other studies which consider the role of IAG and ways to improve information provided to students. Mann and Caplan consider there to be an information gap between what 'young people know and think' about Apprenticeships and what 'employers want and need them to understand'. They argue that employers are in an optimal position to work with schools and colleges 'to give young people access to relevant, reliable information about the workplace, to inspire and inform their career choices and improve awareness of alternatives to university, such as Apprenticeships.'

According to Mann and Caplan, young people have a 'hazy' view of Apprenticeships and are concerned that Apprenticeships: would limit their future academic progression and would tie them into a particular job; are risky; and, present a second-best option. The authors do note

a number of benefits for young people of doing an Apprenticeship, however, including: providing an alternative route into work; providing a nationally recognised qualification; and providing a strong foundation of transferable skills from which they may progress onto HE, further study or other jobs. They also argue that young people tend to be intrigued by Apprenticeships and are often attracted to the idea of earning while learning (particularly given the increased costs of university) and the provision of structured training that goes along with the job.

3.4 Apprentice Satisfaction

Individuals who choose Apprenticeships tend to report relatively high levels of satisfaction with their programme and most aspects of their training. A number of studies have found that apprentices are largely satisfied with their involvement in Apprenticeships however their levels of satisfaction with particular aspects of their training, its organisation and the role of their employers can vary and there are also differences in overall satisfaction between frameworks. Overall satisfaction of learners with their Apprenticeship training is found to be high in the evaluation survey of learners (Vivian *et al*). 89 per cent of all apprentices were *satisfied* (defined as a score of six or more out of ten on the overall satisfaction item).³ Lower average satisfaction scores were found to be associated with cases where apprentices had been required by the employer to undertake the Apprenticeship and where the programme was short (less than six months). Most apprentices surveyed would recommend the programme to others or had already done so and only five per cent indicated that they would not recommend Apprenticeships to others.

Vivian *et al* (2012) also report that apprentices were generally positive about the quality of training they received. Most learners were satisfied with the amount of training they had received (80 per cent) and with the balance between training and work (83 per cent). Those in construction and engineering frameworks were most likely to be satisfied with these aspects.

The survey of learners also indicated that satisfaction was somewhat higher amongst Apprenticeship completers (92 per cent were *satisfied* with their Apprenticeship) than across all respondents (89 per cent). Unsurprisingly, for completers, Vivian *et al* found a positive association between employment outcomes and satisfaction with the Apprenticeship. Where wages increased on completion of an Apprenticeship the average satisfaction level was higher than where wages did not increase and results were similar with respect to promotion.

³ There was some variation in overall satisfaction by framework sector. The highest satisfaction levels were found for apprentices in Construction (77 per cent very satisfied) whilst those in Health, Public Services and Care (67 per cent), Leisure, Travel and Tourism (65 per cent) and ICT (60 per cent) indicated relatively lower levels of satisfaction.

Vivian *et al* found that dissatisfaction was more common in relation to the role of the employer than in relation to other aspects of the programme however, 82 per cent were still satisfied with employer support and 75 per cent were satisfied with the involvement of the employer in the structure, delivery and content of the Apprenticeship. Apprentices who were existing employees typically reported less support from their employer and less employer involvement in the programme. Vivian *et al* observed that there are a minority of cases where employers appear to be using the programme to certify employees' existing skills and that the employer has little involvement or engagement with the apprentice.

Carrying out an investigation of subcontracting arrangements being used in the provision of Apprenticeship training, Ofsted (2012) also found relatively high levels of satisfaction amongst apprentices receiving training through subcontracted providers. There have been concerns raised over the past couple of years⁴ regarding increasing use of subcontracting and the effectiveness of the management of subcontracting arrangements and the possible implications for the quality of Apprenticeships. The highest levels of satisfaction were found by Ofsted where programmes involved more traditional off-the-job training. The inspections also flagged up some areas for concern or improvement in subcontracting arrangements but there were also examples of good practice where subcontracting could enhance rather than jeopardise the quality of training⁵.

3.5 Barriers to Participation

Despite there being interest in Apprenticeships and evidence of high levels of satisfaction with the programme amongst apprentices, there remain a number of barriers to young people (and others) becoming engaged in the programme. BIS (2013a) consider the overall motivation and barriers to learning (in various forms, not only Apprenticeships) encountered by young people not in education, employment and training (NEETs). Apprenticeships are amongst the measures put forth by government aimed at securing young people's participation in education and training and especially moving young people into work. In the BIS-commissioned study carried out by NIACE, more than 800 young people (aged 18-24) with current or recent experience of being NEET were interviewed. Motivation for learning expressed by 18 to 24 year olds included: to achieve future career aspirations; to increase employability; to gain qualifications; to develop skills, experience and knowledge; for enjoyment and interest; and, to meet employer requirements. Some respondents were motivated to learn by the provision of financial support for learning and others by receiving support from partners, family and peers and through professional support, information,

⁴ For instance, in the BBC One, Panorama, 'The Great Apprenticeship Scandal' (aired 2 April 2012) highlighted cases of obvious poor quality provision of Apprenticeships and of poor controls.

⁵ Quality of training and recent analyses of this issue is discussed further in Chapter 5.

advice and guidance (IAG). Individuals reported that barriers to learning were presented by: their family, partner and peers (more likely to be reported by women than men) (for example, parenthood held some back from learning); course content and the format of courses (including the style of learning, teachers, or the learning environment); cost of learning and financial constraints (including the direct costs of courses and the wider financial considerations including transport costs and support while learning); accessibility and availability of courses (including issues with the application process and location of training provider); lack of professional support and IAG; and lack of (pre-requisite) skills or qualifications, particularly literacy and numeracy.

Barriers to participation in Apprenticeship can be more prevalent for certain groups of potential learners, such as those from ethnic minority groups. Butler (2012) considers the ethnic minority gap observed in Apprenticeships, observing that young people from ethnic minority groups are less likely than young White people to undertake an Apprenticeship. Whilst 16 per cent of all 16 to 24 year olds are from minority ethnic backgrounds, only 9.2 of Apprenticeship starts and 8 per cent of completions are amongst individuals from ethnic minority groups. Butler suggests that as unemployment and inactivity rates for young people from ethnic minorities are relatively high, their low representation in Apprenticeships is a reason for concern. He cites research indicating that the 'Apprenticeship message is not currently reaching minority ethnic communities' and argues that this results from lack of promotion of Apprenticeships in schools and from the preference within some communities for progression in education rather than vocational training. Butler argues that increasing representation in Apprenticeships would offer a positive start in tackling ethnic minority unemployment though other actions are also necessary.

3.6 Summary

A number of issues relevant to individuals' participation in Apprenticeships have been considered in this chapter. The following key findings can be noted:

- There is significant interest in Apprenticeships amongst young people but the level and quality of useful information regarding the programme which is provided to young people making decisions about their future learning whilst in school appears to be low. Improving the provision of IAG to school students regarding VET and Apprenticeship can provide one way of increasing interest (and participation) in such programmes;
- Despite not being perceived in the same manner as Higher Education, individuals consider there to be a number of benefits stemming from undertaking such training and consider it to be an attractive option. Some of the benefits of Apprenticeships found within the reviewed studies include: improved chances of career progression and an opportunity to obtain a qualification. There is also some evidence that Apprenticeships

are becoming increasingly attractive in the context of increasing costs of attending university, but there still tends to be a more favourable view of academic routes overall;

- Former apprentices tend to report high levels of overall satisfaction with Apprenticeships but there are some less favourable results with respect to particular aspects of programmes such as the level of employer involvement and support provided during training. Satisfaction levels are also found to be lower where Apprenticeships are short (e.g. 6 months or less) and where the training being provided is thought to be of poor quality;
- There are a number of barriers to participation in Apprenticeships reported by potential learners, including the lack of sufficient IAG about such programmes and the attitudes of parents and friends towards VET. Practical issues such as the costs of pursuing an Apprenticeship and accessibility issues are also found to be barriers for some individuals. This role of IAG in promoting participation in Apprenticeship and the problems that the lack of quality IAG is presenting for the programme, and more importantly for learners, is mentioned above as presenting a barrier to participation. This issue is considered further in Chapter 5.

4. RECENT RESEARCH: EMPLOYERS

4.1 Research Themes

In the initial review report for the current project, a number of aspects of the employer role in Apprenticeships and employers' relationships with apprentices, training providers and the State were considered. In the past year, and indeed for a number of years, the level of employer engagement with Apprenticeships (or lack thereof) and financing of the programme are two issues which have captured much interest from policymakers, researchers and more widely. In this chapter, the position of the employer in the Apprenticeship system is considered, with a focus on studies concerned with: employer engagement; satisfaction of employers with Apprenticeships; the costs and benefits of training to employers; and, the employer response to changes in funding.

4.2 Employer Engagement

One concern in the English Apprenticeship system is the level of engagement of employers. Results from the EPS2012 (Shury *et al*, 2012), indicate that employer engagement in Apprenticeships is relatively low, with 15 per cent of all UK establishments offering Apprenticeship and only nine per cent actually employing an apprentice at the time of the survey. Around 13 per cent of all establishments offered formal Apprenticeships whilst the remaining two per cent delivered their own informal schemes. The survey also indicated that around 25 per cent of establishments that did not currently offer formal Apprenticeship expected to offer them in the future. The survey found that Apprenticeship engagement is relatively high amongst 'young growth businesses'⁶ with 24 per cent offering Apprenticeships.

The EPS2012 results indicate that employers in the non-market services sector are the most likely to offer Apprenticeships (and also to recruit young people and offer work placements). Shury *et al* suggest that this is partly due to the concentration of larger establishments in this sector (which are more likely to engage in training) but also due to the nature of the sector which requires on-going training and the acquisition of qualifications. Employers in the construction sector were also found to be amongst the most likely to offer formal Apprenticeships.

Similarly, in a smaller scale study by the Federation of Small Businesses (FSB, 2012), the results of a (online) survey of just under 2,800 FSB members, nine per cent had taken on an apprentice in the previous 12 months but only seven per cent planned to do so in the next

⁶ Young growth businesses are defined in the EPS2012 as 'establishments which have been set up within the last three years, which have seen their workforce grown over the past 12 months, and which predict that their business will grow over the next 12 months'.

year. Much greater engagement of employers was found in another, smaller again, survey. The survey of 542 employers in 2012 (CBI and Pearson, 2012) indicated 63 per cent of employers were involved in Apprenticeships. This compared to 48 per cent of employers in the previous wave of the survey in 2008. In 2012, more than 58 of the surveyed employers indicated that they planned to extend their involvement in or begin engaging with Apprenticeships in the next three years. CBI and Pearson found the proportion of employers involved in the programme rises with company size – for instance, 22 per cent of employers with less than 50 employees were involved with Apprenticeships whilst 89 per cent of those with 5,000 or more employees were engaged. Given the small sample of employers covered by the CBI and Pearson survey, these findings should be considered indicative only and conclusions should not be drawn for employers in general.

In the employer survey for the Evaluation of Apprenticeships (Winterbotham *et al*, 2012) data were collected from 4,075 employers that had staff complete an Apprenticeship with them in the past 18 months. This study was part of a wider Evaluation of Apprenticeships which included the learner survey and the net benefits of training study (both also carried out by IER and IFF Research). The report on the employer survey outlines the characteristics of employers involved in Apprenticeships noting that three-fifths of employers in the survey operated in the following sectors: health, social work and childcare, retail and wholesale, construction and hair and beauty. Three-quarters were SMEs and half had less than 25 employees. Some sectors such as hair and beauty, manufacturing and construction emerged as having a long tradition of Apprenticeships with around half of employers being involved in this form of training for more than 10 years. Level 2 Apprenticeships were more common than Level 3 (85 per cent offered Level 2 whilst 59 per cent offered Level 3) but half of the employers surveyed offered Apprenticeships at both levels. Employers were more inclined to provide this training to 16-18 year olds (76 per cent) compared with individuals aged 19 years and older (54 per cent) and larger employers (100 employees or more) were more likely to offer Apprenticeships to older people than were smaller organisations.

Higton *et al* (2012), in their report on the 2011 Apprentice Pay Survey, found that the majority of apprentices (70 per cent) in England had already been working for their employer before they started their Apprenticeship – this is the same as in Great Britain overall but lower than that for Wales (75 per cent)⁷. Most employers then were found to be investing in existing staff rather than recruiting new workers for Apprenticeships. Apprentices in technical / practical frameworks were less likely to be existing employees compared with those in the

⁷ Higton *et al* suggest that this higher figure for Wales partly explains why pay was higher there than in the other devolved nations. Typically, where existing employees undertake an Apprenticeship they continue to receive the same level of pay as non-apprentice employees which are higher than wages for apprentices who are newly recruited.

service sector / transferable skills frameworks. Women were more likely than men to be existing employees prior to their Apprenticeship.

Despite there being concerns about the use of Apprenticeships as a means of providing existing employees with continuing vocational training (CVT) (which is often the case where apprentices are existing employees), Winterbotham *et al* found that it was more common that they had taken on new recruits for Apprenticeships than to offer them to existing staff (76 per cent versus 31 per cent) and it was uncommon for an employer to train both new recruits and existing employees through Apprenticeships. Larger employers (with 250 or more staff) were more likely to train existing employees through Apprenticeships than were SMEs (44 per cent versus 26 per cent).

4.3 Employer Benefits and Motivation for Engagement

A number of studies have indicated that though there is not a high participation rate amongst employers, those who do engage in Apprenticeships report significant benefits arising from the programme. These benefits are tied in with the reasons why employers that provide Apprenticeships for employees do so and why so many recurrently train apprentices.

In the latest report in the IER Net Costs of Training Studies series, Hogarth *et al* (2012b) consider the costs and benefits employers derive from Apprenticeship and other forms of workplace learning (WPL). The study comprised 80 case studies of employers (across various sectors) engaged in Apprenticeships and / or other WPL leading to formal qualifications at Level 2 and / or Level 3. Hogarth *et al* explore the employer's decision to train and find that in cases where training was provided to new recruits (thus constituting initial vocational education and training (IVET)), employers indicated that they provided WPL or Apprenticeships in order to equip individuals with the skills required to work in a particular occupation. In some sectors, mainly engineering and construction, the Apprenticeship was considered a *de facto* licence to practice without which individuals could not work in the sector. Other reasons for providing training to new recruits included: bringing younger people into the organisation; the company had a history of taking on apprentices; enabling training to be tailored to the business' needs and to train individuals up in the culture of the particular employer; and fulfilling corporate social responsibilities.

Where employers provided WPL/Apprenticeships to existing employees (i.e. as a form of continuing vocational education and training (CVET)), Hogarth *et al* report that the main reasons for such engagement were largely related to providing motivation, reward and recognition to employees, often with the aim of increasing staff retention. Other reasons for providing such CVET through Apprenticeships or WPL include: to up-skill existing employees to prepare them for taking on tasks/roles at a higher level within the organisation;

and, to provide accredited qualifications to employees who might otherwise miss the opportunity for such development.

Hogarth *et al* provide estimates of the net costs to employers providing Apprenticeships (and other forms of WPL) as well as estimates of the time it takes for employers to recoup their outlay on Apprenticeships. They find that the payback period is relatively short, assuming that apprentices stay with their employer after completing their training and therefore that employers are able to acquire the benefits of training. The payback periods in this study however are somewhat longer than those estimated in the 2008 study which in part stem from the estimates being based on a relatively small number of observations and from the fact that the economy was weaker in 2011 resulting in a lower return on investment.

Another study employing the same methodology as the Net Costs of Training series considered the costs and benefits employers derive from Apprenticeship (and WPL) in the health sector (Hogarth *et al*, 2012a). A number of benefits of Apprenticeship engagement were reported by employers within this sector, including: widening the pool of new entrants to the NHS by establishing a vocational pathway into various occupations; attracting certain groups of individuals who were less interested in school-based pathways; increasing the flow of younger individuals working in the NHS (particularly important in Trusts with concerns regarding future skills shortages and an ageing workforce); providing continuing professional development for existing employees; providing the apprentice with valuable transferable skills whilst also allowing the employer to meet its skills needs; impressing the values of the organisation onto young people throughout the training period; and, bringing new ideas into the workplace.

Winterbotham *et al* also found that employers do not dismiss the value of Apprenticeships. The Evaluation of Apprenticeships survey asked employers about the value of various components of the Apprenticeship programme. Most felt that each of the four elements (NVQ; knowledge element, such as technical certificate; transferable skills; employer rights and responsibilities) were of value; the competency element was rated as the most valuable whilst transferable (or key or functional) skills were reported as the least valuable (though 60 per cent indicated that these were very valuable). When asked about the benefits to their business, employers were positive about Apprenticeships overall. Nearly all employers (96 per cent) reported at least one of the possible benefits presented to them by the interviewer. The most often reported benefit was improved productivity (72 per cent) followed by improved staff morale, improved products or services, a positive image in the sector, improved staff retention and the introduction of new ideas. Only 36 per cent of employers indicated that training apprentices had resulted in a lower overall wage bill – this is viewed as a positive finding as it indicates that Apprenticeships are not generally being used for a cheap form of labour.

In a report looking at employer support for career development, Hutchinson *et al* (2012) include two case study employers using Apprenticeships. Some of the benefits reported to accrue to businesses as a result of engagement with Apprenticeships (and other forms of career and skills development) include: lower recruitment costs; quicker recruitment leading to increased productivity; improved company image (fulfilling social responsibilities); reinvigorated work for existing staff members; enhanced flexibility within the workforce; and an enhanced product/service offer. It should be noted that this publication is based on individual business case studies, only two of which consider Apprenticeships, and the findings are therefore not applicable to employers in general.

In an analysis of skills and training in the UK Aerospace industry, Lewis (2012) summarises a number of reasons for training put forth by employers. The benefits include that Apprenticeships allow acquisition of specialist technician skills where they are scarce in the external labour market and they also help with succession planning for an ageing technician workforce. In the waste management sector, Wright (2012) similarly notes that Apprenticeships can help to attract young people to the sector.

Backes-Gellner and Teuber (2012) consider data collected from matched-pairs of engineering employers from the US, Germany, Switzerland and the UK to investigate the impact of various institutional characteristics on the 'span of control'⁸ of production supervisors. Their results indicate that provision of Apprenticeship training, together with internal recruitment of supervisors and employee representation is associated with a broad span of control of production supervisors. The authors illustrate the policy implications of their results with the example of multinational companies from countries with a strong Apprenticeship tradition expanding into the US. Such companies would face a relatively unskilled workforce in the US and the authors argue that such a company might introduce a narrow span of control or implement Apprenticeship training combined with other features in response to the lack of a skilled workforce.

Based on evidence from Germany and Switzerland, Wolter (2012) argues that one of the reasons for employers' not engaging in Apprenticeships is a concern that they would not recoup their substantial investment if an apprentice subsequently moves to another employer. Wolter notes that employers benefit from Apprenticeships in at least three ways:

- 1) through the productive contribution of apprentices during the training period;
- 2) by allowing employers to use training as a 'screening device' in order to identify the most motivated and talented individuals and offering longer term employment (post-completion) to these apprentices thereby avoiding costly mismatches;

⁸ The span of control is measured as the number of employees per production supervisor.

- 3) by permitting the firm to train apprentices in order to fulfil specific skill requirements which are harder to obtain from the external labour market. This can help the employer avoid the costly lower productivity of new hires at the beginning of their employment as well as other hiring costs.

The relative weight of each of these benefits varies across firms, occupations, sectors and countries. Wolter concludes that whilst productive work by and low pay to apprentices are essential for employers to recoup their investments in Apprenticeship training, it is also necessary for the Apprenticeship to offer something to apprentices. The productive tasks assigned to apprentices must be an important source of learning.

4.4 Employer Satisfaction

In the Evaluation of Apprenticeships survey of employers, respondents were generally satisfied with their level of involvement in and their ability to select an Apprenticeship framework which was relevant to their needs (77 per cent were satisfied) (Winterbotham *et al*, 2012). The majority of employers were also satisfied with the quality of applicants for Apprenticeship places though a significant proportion (eight per cent) was dissatisfied. Satisfaction with the quality of the training provider was high amongst respondents (66 per cent very satisfied) but smaller employers (less than 25 employees) were less satisfied than the overall average. On nearly all measures of satisfaction, employers offering construction Apprenticeships were less satisfied than average. Nearly half of the employers surveyed had already recommended Apprenticeships to other employers and others indicated that they would strongly recommend the programme to other employers in their sector (22 per cent) or that they would recommend it but with some reservations (15 per cent). Just two per cent had either advised other employers to not offer Apprenticeships or would recommend against the programme if asked.

Winterbotham *et al* found that the majority of employers (80 per cent) were committed to the programme and planned to continue to offer Apprenticeships. Employers were more likely to not be planning to continue if they were: smaller employers (with less than 25 employees), had been involved in Apprenticeships for less than three years, and offered construction Apprenticeships (probably indicative of uncertainties over future work in the current economic climate). Reasons cited for not planning to continue to engage included: all staff were fully skilled so there was no need to train existing or new employees; perceived high costs of such training and having had a negative experience or a feeling that their previous Apprenticeship training had not gone well.

4.5 Barriers to Participation

Though employers report significant benefits from training employees through Apprenticeships and are overall satisfied with the programme, a number of barriers to

employer engagement exist or at least are perceived by some employers. Policy has long aimed to overcome these barriers and increase the level of employer participation in Apprenticeships. In the studies considered in this section, a number of challenges to employer engagement are identified, particularly for SMEs which are considered to face somewhat different barriers compared to other employers.

Shury *et al* (2012), reporting on the latest Employer Perspectives Survey, find the three main reasons as to why establishments did not currently offer Apprenticeships to be:

- 1) lack of awareness regarding what is involved in Apprenticeships or that employers had not been approached by any organisations regarding Apprenticeships;
- 2) employers feeling that there is no need to offer Apprenticeships (their staff does not require training or they prefer to recruit staff already trained); and,
- 3) the perception of structural barriers such as the financial burden of Apprenticeships relative to the size of the business or suitable Apprenticeships not being available in their sector.

In a survey of nearly 2,800 members of the Federation of Small Businesses (FSB, 2012), it was found that many small business owners are not confident about the employability skills and business awareness of young people leaving school at 16 years of age. Nearly half (47 per cent) feel that an apprentice would never be suitable for their business. FSB argues that the evolution and broadening of the definition of an Apprenticeship over recent years has contributed to businesses having less confidence in Apprenticeships and the programme has obtained a poor image from in the eyes of teachers, parents and school leavers. The FSB also argues that the curriculum should emphasise employability skills and work-related learning and that school leavers need to be better prepared for the workplace. Schools should also promote Apprenticeships and vocational education as being on a par with academic routes. In the FSB survey, it was also found that many small businesses find the Apprenticeship programme confusing and are put off by its complexity despite policies aimed at simplifying Apprenticeships.

CBI and Pearson (2012), in a survey of 542 employers identified significant potential to increase Apprenticeships through greater engagement with SMEs though the authors of the report note that many smaller employers continue to view Apprenticeships as irrelevant or are apprehensive about the costs and bureaucracy associated with the programme. Smaller firms were found often to lack the human resources functions within their companies to carry out paperwork and administration for Apprenticeships. CBI and Pearson also argued that there is a need for small employers to have user-friendly information but that this is difficult to achieve given changes in funding rules, etc. Though based on a small sample of

employers, the CBI/Pearson results on this issue tend to be aligned with findings from larger scale surveys and thus the results are useful, though limited.

In the CBI/Pearson education and skills survey, employers were asked what three measures would encourage them to become more engaged with Apprenticeships. Their responses included:

- Ensuring qualification programmes are relevant to business needs (reported by 46 per cent);
- Support from government to train more Apprenticeships than the business requires would benefit the supply chain and the sector, and would strengthen the skills base more broadly (37 per cent);
- Having the flexibility to design bespoke Apprenticeship frameworks (36 per cent);
- Ensuring Apprenticeship applicants are suitably qualified and motivated (34 per cent).

Surveyed employers also expressed concerns over bureaucracy - 28 per cent of employers felt that reductions in administrative burden are necessary to encourage continued expansion of the programme. Whilst measures to reduce red tape were announced by Government in November 2011, the majority of employers in the survey (88 per cent) indicated that they had not experienced any change in practice.

Evans and Bosch (2012) report on some of the outcomes of the London Apprenticeship Campaign which was launched in 2010 with the aim of increasing the number of Apprenticeships, particularly at higher levels, within the capital. They note that whilst employers that had engaged in Apprenticeships in the past responded most positively to the Campaign it was more difficult to engage SMEs. Most success was found in bringing SMEs onboard by approaching employers directly and presenting them with case studies illustrating the business benefits of Apprenticeships. The authors indicate that there is a need to address employers' concerns over the complexities of providing Apprenticeships.

Lewis (2012) notes a number of obstacles to offering high-quality Apprenticeships that are facing employers in the aerospace industry in the UK, including: less than satisfactory quality of training on offer in local FE colleges; excessive bureaucracy involved in holding contracts with the Skills Funding Agency; complexities in funding (e.g. split in funding between HEFCE and SFA for Higher Apprentices); and (as noted in many other studies) the poor perception of Apprenticeships and VET in schools.

4.6 Employer Costs and Funding Issues

Though relatively difficult to accurately assess, particularly given the high level of financial support provided by Government for the Apprenticeship programme for many years, employers also incur some costs associated with providing Apprenticeship training. The difficulty in measuring employers' costs of Apprenticeships arises largely due to the many

types of costs involved, including direct costs such as fees paid to training providers and for materials, and indirect costs such as foregone productive contributions by employees during the training period and supervision and on-the-job training time.

Hogarth *et al* provide estimates of the net costs of training to employers which attempt to capture as much of the full costs incurred by employers as possible. They find that overall, the costs to employers of providing Apprenticeships are substantially higher than the costs of WPL at the same level and in the same sector. This difference is at least in part due to Apprenticeships being offered more often to new recruits and other WPL mainly being offered to existing staff. Existing staff continue to make a nearly full productive contribution to the business whilst new apprentices start off with lower productivity and often are less than fully productive throughout their training period. Hogarth *et al* note this difference in costs between new and existing employees within each type of training, with the costs being higher for new recruits than for existing employees being trained. The authors note that the case studies provide indicative rather than definitive estimates of the costs of Apprenticeships (and WPL) to employers but the estimates do provide evidence that there is considerable variation between sectors / frameworks and by level of training. The within-sector variation in costs within Apprenticeships was found to be greater in this study than in previous Net Benefits of Training to Employers studies revealing differences in the ways in which training is delivered across employers.

Currently, there is, and has been for some time, considerable focus of policy on the financing of Apprenticeships, particularly with reference to the sharing of the costs of training between the State and employers (as well as individuals). Given the substantial benefits to be had by employers from participating in Apprenticeships (as noted in section 4.3 above) there is at least some justification for sharing the costs between employers and the State as both are set to gain from such training being delivered – as Steedman (2012) recommends, those who benefit from Apprenticeship ‘should contribute correspondingly’. In the latest Net Costs of Training study, Hogarth *et al* prompted employers about their likely reactions if the costs of training were to increase in the face of reduced public funding for certain apprentices in future. Employers considered a number of options for responding to greater costs, rather than indicating that they would completely withdraw from Apprenticeships which further supports the notion that they benefit from such training. Possible reactions to increased costs that employers reported include: making costs savings elsewhere (within their training budget or elsewhere)⁹; reducing the number of apprentices they train; shortening the

⁹ Busemeyer *et al* (2012) find that in Germany, with an increase in the flexibility of the training system, large firms have been able to maintain gross levels of investment in training whilst at the same time reducing their net costs because the productive contributions of apprentices have increased significantly (most likely due to the overall transformation of the industrial relations system in the country). This may be one approach employers in England could adopt in response to any increase in their costs of Apprenticeship training.

duration of training (though this was not considered viable in sectors like construction and engineering where employers felt shorter training periods would be detrimental); and passing some or all extra costs onto the training provider. Where employers used their training programme for essential skills supply they indicated that they would have to continue as they currently did regardless of costs as there was no suitable alternative available. Employers were more likely to report that they would likely reduce or stop training where Apprenticeships (and other WPL) were offered mainly to existing employees.

Hogarth *et al* also asked employers for their opinions of passing some of the costs of training onto the trainee (e.g. through State-administered loans to apprentices) but this idea was met with resistance from employers who were concerned about how expecting individuals to pay for training would affect the employer-employee relationship. Despite an overall negative response to the idea of apprentice loans or fees, many employers (particularly those with more substantial training programmes in terms of duration and costs) had already introduced claw-back clauses in employment contracts to ensure that they could recapture some of their costs if apprentices leave the company before, or shortly after, completion of their Apprenticeship training.

In a follow-on study of training in the health sector, Hogarth *et al* (2012a) also found that employers were sensitive to costs and that the costs of training (and in particular the support of government finance) influenced the sustainability of many Apprenticeship programmes. In response to increased costs resulting from reduced public finance for Apprenticeships, employers did not feel that it was possible to pass costs onto apprentices themselves as they worked in relatively low paid jobs and training loans might deter them from undertaking an Apprenticeship in the first place. Employers also felt that there was little scope to reduce their costs – apprentice wages, which are centrally negotiated, could not be reduced; finding a cheaper provider was not considered viable as they had been rigorously selected and suitable alternatives were not readily available; and the length of training programmes was set externally. Some employers thought that there might be scope for training existing employees through other programmes which might not be accredited.

Winterbotham *et al* asked employers about their current contribution to training costs in the form of fees paid to training providers and found that 11 per cent of employers paid some fees to providers. This figure varied across sector frameworks and ranged from 21 per cent in engineering to six per cent in retail. Average payments were higher for 16 to 18 year old apprentices despite the principle that training for this younger age group is fully subsidised. The survey also considered the likely reaction of employers to changes in public funding for apprentices aged 19 years and older and thus changes to the fees to be paid by employers. They were asked for their reactions if state funding were removed completely and if it were reduced by 50 per cent. 17 per cent of employers who had apprentices age 19 years and

over indicated that they would have taken on apprentices with full fees (i.e. if State funding were removed) or that they already paid the equivalent amount in fees. In the face of half fees (i.e. state funding reduced by 50 per cent), 29 per cent indicated that would continue training apprentices.

Winterbotham *et al* also considered the implications of training fewer apprentices should this be a response to increased costs of training. Around 43 per cent of employers indicated that training fewer apprentices would not have an impact on their business. The most reported impact of training fewer apprentices was skill shortages in the future (reported by 20 per cent of employers). Other impacts included reductions in the quality of products and services, staff shortages and increased recruitment costs. Each of these impacts however, was cited by less than 10 per cent of employers. Employers offering engineering Apprenticeships were most likely to report that they would be negatively affected by a reduction in the number of apprentices they trained.

4.7 Employer Control and Influence

Emphasised in the Richard Review of Apprenticeships is the role of the employer and the need to provide employers with more control and influence over Apprenticeships so that training can best meet business needs. The Government's Employer Ownership of Skills (EOS) Pilots is one initiative aimed at improving the alignment between the skills system's aim of supplying individuals with qualifications and its aim of meeting employer needs. In the outline for the EOS Pilots, UKCES set out five principles of the initiative and how EOS has the potential to transform skills:

- 1) employers need the space to own the skills agenda;
- 2) a single market for skills development is needed;
- 3) skill solutions need to be designed by employer led partnerships if they are to be used by more people and businesses;
- 4) there should be a move to employer incentives and investments for vocational training – away from public contributions; and
- 5) transactions in the system need to be transparent.

There is some evidence that employers already exercise some influence over Apprenticeships, though the level of influence and how it is achieved varies. Winterbotham *et al* found that for the majority of employers, their apprentices received training delivered by an external training provider but three-quarters of employers reported that they also provided formal training themselves. Only 22 per cent indicated that only the training provider delivered training and four per cent indicated that they (the employer) were solely responsible for delivering training. Employers are more reliant on external providers for assessment than for training with only one per cent of employers indicating that they

themselves were responsible for assessing apprentices. Around half of employers were involved in and able to influence decisions regarding the structure, content, delivery and duration of training prior to the start of Apprenticeships and 60 per cent had some influence on the delivery and content during the Apprenticeship. This however varied by framework. Employers offering construction Apprenticeships were less likely to influence training decisions at any stage compared to those offering ICT and business administration and law frameworks.

4.8 Summary

This chapter has considered recently published research relating to employers and their engagement with Apprenticeships. The employer plays a vital role in Apprenticeships and enhancing their engagement with the programme is paramount as current levels of engagement in England are relatively low, particularly compared to other systems in Europe. Some of the key issues arising from the discussion in this chapter of employer involvement in Apprenticeships are:

- Employer engagement with Apprenticeships varies by type of employer, especially by sector and employer size. Where employers are engaged there are also differences with respect to the Apprenticeship levels being provided (e.g. Level 2 provision is prevalent in retail whilst Level 3 Apprenticeships are more or less the norm in Engineering) and who is being trained (i.e. new recruits or existing employees or both);
- The reasons for engaging with Apprenticeships vary across employers and include: the Apprenticeship represents a *de facto* license to practice in some industries; the company has a long history of engagement; Apprenticeships can be tailored to the business' needs; and thus provide (typically existing) employees with qualifications and training;
- Employers who are engaged with Apprenticeships report a number of benefits stemming from this form of training, including: providing skilled labour; rejuvenating their workforce; and, instilling the company's values in workers. The evidence strongly suggests that Apprenticeships bring about real gains to businesses and apprentices on the whole are not being used simply as 'cheap labour';
- The level of overall satisfaction of employers with Apprenticeships is relatively high though there are some aspects which could be improved (e.g. the quality of applicants for Apprenticeships) and satisfaction tends to vary by employer size and sector (e.g. employers in construction tend to have lower levels of satisfaction with many aspects of the programme);
- A number of barriers to engagement are perceived by employers and there are some particular barriers that are experienced by certain types of employers. Some

SMEs for example, may be put off engaging in this type of training due to the administrative burden it may impose on the company; others may not see the relevance of Apprenticeships for their own business;

- The idea of sharing more of the costs of Apprenticeship between employers and the State has been found to not put employers off engaging with the programme though they are sensitive to costs. With a reduction in public funds for Apprenticeships resulting in increased costs for employers many indicate that they would look to make cost savings elsewhere (e.g. by reducing certain elements of training or adjusting training budgets) but many feel that training volumes would be reduced as a result. Most employers felt that expecting apprentices themselves to share the costs of training would be problematic.

5. WIDER THEMES OF RESEARCH ON APPRENTICESHIPS

5.1 Key Themes in the Research

In this chapter, a number of additional areas of research and analysis which have been reviewed in this study are discussed. These topics are of particular relevance from a policy perspective and have implications and / or relevance for individuals and employers. The themes explored in the remainder of this chapter are:

- Progression of apprentices;
- The quality of Apprenticeships;
- The returns to Apprenticeships, for individuals, employers and more widely;
- Information, advice and guidance; and,
- Apprenticeship delivery and funding.

5.2 Progression

The progression (or option for progression) of apprentices onto further learning, particularly Higher Education, is an area of significant policy interest. Enabling progression through Apprenticeships would not only be beneficial in terms of increasing the supply of higher level skills but also in providing alternative routes to higher levels of education and training, especially HE, for learners who might otherwise not get the opportunity to advance (e.g. learners from lower socioeconomic backgrounds). A limitation on most studies of apprentice progression that should be noted here is the lack of data on progression and the small numbers of learners for which progression can be observed. This limitation is important to keep in mind in considering various studies of this subject but it also is an issue that should be addressed to ensure that policies intended to facilitate opportunities for progression can be based on robust analysis.

A number of studies have shown that there is significant interest amongst apprentices in undertaking further, higher level education after completion of an Apprenticeship (see Gambin *et al*, 2012 for an overview of studies in 2010 and 2011) however, in the Apprentice Pay Survey 2011, Higton *et al* (2012) found that the main motivation for undertaking Apprenticeships appears to be work-related rather than as a springboard onto other training/education. In England, 65 per cent of apprentices planned to stay with their current employer after completion of their Apprenticeship. This proportion was highest amongst apprentices in 'customer service', 'retail', 'engineering' and 'team leaderships and management'. 18 per cent of apprentices in England planned to stay in the sector, though most likely with a different employer rather than with their current one. This was indicated more often by those in electrotechnical, construction, childcare and health and social care frameworks than in others. Seven per cent of apprentices planned to go onto completely different areas of work. Apprentices reporting that they were likely to change sector and

employer were more often undertaking Apprenticeships associated with more transferable skills such as hospitality and customer service.

A further seven per cent of apprentices in England in the survey planned to continue their education (with the highest proportion reporting this in childcare frameworks). Of these, more than half (52 per cent) planned to undertake a higher level NVQ or Apprenticeship (this was higher than for GB overall), 22 per cent planned to undertake a degree at university and 16 per cent planned to take a course at college.

Few apprentices progress onto Higher Education, despite there being some appetite to do so. The second report on a longitudinal study on progression of apprentices to HE uses matched data from the ILR and data from the Higher Education Statistics Agency (HESA) between 2004/05 and 2010/11 to consider the nature of progression and trends in progression over time (Joslin and Smith, 2013). For the 2004/05 cohort, Joslin and Smith found that 15.4 per cent of framework achievers progressed onto HE within seven years of the start of their Advanced Apprenticeship – 10.4 per cent progressed within three years. These results indicate an increase from the 13 per cent rate of progression found in the previous study in the series.

According to Joslin and Smith, the total number of apprentices progressing onto HE within three years of starting their Advanced Apprenticeship increased from the 2004/05 to the 2008/09 cohort, however the progression rate (within 3 years) declined from 10.4 per cent to 8.1 per cent. The authors consider the significant increase in older apprentices (age 25+) to be partly driving this result as the progression rate amongst older apprentices is considerably lower than for younger apprentices (3.7 per cent of 25+ apprentices progressed compared to 12.4 per cent of 17-19 year olds). The age of apprentices was also found to be associated with progression within different timescales - younger apprentices who did progress onto HE more often did so within three years of starting their Advanced Apprenticeship (70 per cent compared to 40 per cent for the 25+ apprentices). Overall, 70 per cent of apprentices who moved onto HE did so within three years.

Regional differences in progression were also found by Joslin and Smith. The North East had the highest rate of immediate progression to HE (17 per cent for the 2004/05 cohort) and Greater London had the lowest rate (5 per cent). They also found that the number of female advanced apprentices tracked by their study doubled between the 2004/05 and 2008/09 cohorts whilst there was a 19 per cent increase in the number of male advanced apprentices. The progression rate for females however decreased at a faster rate than for men over the period.

Evidence of progression from Level 2 to Level 3 Apprenticeships then onto HE was also found by Joslin and Smith. Within the 2009/10 cohort of advanced apprentices, 53 per cent had previously undertaken an Apprenticeship (Level 2) and 8 per cent of these went onto

HE. The analysis also considers limited information on higher apprentices and the authors caution that the results of associated analysis are skewed as the data were dominated by one framework. From the limited data, the study finds that the majority of apprentices who progressed to Higher Apprenticeships did so in the year following the start of their Advanced Apprenticeship rather than in the year following completion of the Advanced Apprenticeship and some progressed in the same year as starting their Advanced Apprenticeship. Again, on the basis of limited data, the number of advanced apprentices who progressed onto Higher Apprenticeships increased by 170 from 910 in 2008 to 1,080 in 2009.

Joslin and Smith argue that Apprenticeships have an important role in improving social mobility as suggested by 44 per cent of advanced apprentices coming from areas classified as areas with low HE participation (compared to 31 per cent of all 18-19 year old entrants in the HEFCE Young Entrant Study) and the greater likelihood of apprentices in low HE participation areas studying part time (compared to those from high HE participation areas).

In a good practice report on Apprenticeships, Ofsted (2012) identify key features of successful provision. In their interviews with apprentices, employers and training providers, Ofsted found that both employers and providers encouraged apprentices to progress onto further training and employment and most young people were motivated to undertake more advanced qualifications. The study found however that there were limited pathways available beyond Advanced Apprenticeships (Level 3) and that a recognised Level 4 pathway was not available for all learners.

Thomas *et al* (2012) explore how the issue of progression to higher level learning (mainly HE) has fit in with the aims of Lifelong Learning networks (LLNs) which were set up to facilitate progression for learners on vocational pathways and to create opportunities for vocational learners to build on their earlier learning. The paper highlights that suitable data for considering progression are often not recorded (Seddon, 2005) as there is no requirement for institutions to collect such information. UVAC (2011) indicate that only four per cent of apprentices progress onto HE. The Skills Commission (2009) note that the move to HE is difficult to trace as many apprentices do not progress immediately on completion of their Apprenticeship and that most that (eventually) go onto HE, attend part-time. They note that the employer has considerable influence on apprentices' attitudes towards progression as well as on the incidence of progression. Based on two pieces of research on LLNs, the authors conclude that there is a degree of dependency on employers for information on available progression routes as well as in terms of access to HE. In a survey of a small sample of apprentices (n=87), a relatively low degree of awareness of the opportunity for progression was found and this varied by sector (most awareness in social care). Few apprentices planned to go onto HE studies (one in three) and many were uncertain of whether their employer would support them in pursuing HE. The company's culture and

attitudes towards HE (and the business case for it) are important factors in promoting progression. In their survey of apprentices and cases studies, the authors found a mix of employer attitudes - some were very supportive of progression and others did not perceive value in supporting their apprentices onto HE studies.

As apprentices are primarily employees, Thomas *et al* consider it more plausible that apprentices would progress onto HE sometime after completion rather than immediately following the Apprenticeship. The authors also highlight the issue of HE-readiness – with apprentices indicating that they felt unprepared for HE studies. In their six in-depth interviews with apprentices, they found that key skills delivered through Apprenticeships were not considered to facilitate progression to HE. The authors acknowledge that their research does not directly address this issue and thus do not draw strong conclusions, additionally, given the small numbers of apprentices involved in the study the results should be interpreted with care.

Data from the EU-LFS 2009 *Ad hoc* module also indicates less progression to further learning for individuals in vocational pathways compared those in more general education routes (Cedefop, 2012). Of those who had recently completed upper secondary or post-secondary education (typically aged 18 to 24 years), around 75 per cent of those who studied in the general education orientation were still in formal education at the time of the survey whilst for those who undertook VET studies, around 27 per cent were still in formal education. For apprentices, less than 15 per cent were still in formal education.

Davey and Fuller (2013) consider hybrid qualifications (qualifications generally achieved by young people aged 16-18 which would facilitate entry to the labour market or access to university) and how well they facilitate moves in to work or Higher Education. The authors argue that there is a built in barrier to progression in the Apprenticeship system which they illustrate with an interview with one particular apprentice. They argue that Apprenticeships are tied to available job roles thus there needs to be a more skilled role available to substantiate a Level 3 rather than a Level 2 Apprenticeship place. Overall, the authors conclude that the routes available to those leaving school with vocational qualifications are 'poorly and narrowly-defined and fragile'.

Through a number of employer case studies, UKCES (2012) sought to 'develop an understanding of how the progression of low-skill and low pay employees works'. The employers included in the study were those that were likely to, or already had, supported the progression of their low-skill/low-paid employees. Though not the focus of the study, Apprenticeships were identified as a part of the progression process for staff in a number of the businesses considered in the study. The study identifies a number of 'enablers of progression', one of which is there being 'appropriate internal resource dedicated to training and other forms of development' –the provision of training and other forms of development,

including Apprenticeships, are considered to be pre-requisites for staff development and progression. They found that Apprenticeships are a prominent feature in the approaches of many employers to the progression of their staff and within many of the organisations studied some of their most senior staff had joined the company in entry-level roles. Many employers support employee progression through providing access to and support in achieving accredited skills such as Apprenticeships.

5.3 Quality

The quality of Apprenticeships is an area that was already attracting much attention at the beginning of this review and over the course of the study it has been the subject of many discussions and research papers. A number of government-commissioned reports have looked at the issue of quality, either as the main topic of interest, or as a significant part of the analysis. The quality of Apprenticeships is a concern from the perspectives of employers, individual learners and the State. In a survey of 542 employers, CBI and Pearson (2012) found that 42 per cent of employers saw increasing the quality of Apprenticeships as a priority for action and 58 per cent saw increasing the business relevance of vocational qualifications as a priority.

NAS released a Statement on Apprenticeship Quality in May 2012. The statement defined an Apprenticeship as ‘a job with an accompanying skills development programme designed by employers in the sector.’ Within this definition, Apprenticeships allow individuals to gain technical knowledge and practical experience in a real workplace as well as other functional and personal skills which are required not only for apprentices’ current jobs but also for their future careers. At the end of an Apprenticeship, an apprentice must be able to undertake the complete range of duties require by the job in a confident manner and with competence set by the industry. The Statement set out a number of requirements for high quality delivery of Apprenticeships, including:

- An Apprenticeship must equip individuals with new skills and learning;
- Apprentices must be employed in a job role with a productive purpose – it is not sufficient for just a contract of employment to be in place;
- Apprenticeship Frameworks are linked to specific job roles or occupations;
- The duration of an Apprenticeship should reflect that set out in the relevant Framework document. The minimum duration is 12 months (in most cases);
- The opportunity to progress towards Level 2 in English and Maths must be given to all apprentices who have not already attained this;
- Employers are required to pay at least the applicable rate to apprentices as set out in by the Apprenticeship National Minimum Wage;
- Frameworks reflect the requirements set out in the SASE and providers must ensure that their delivery models deliver these framework requirements;

- ATA Apprenticeships still require strong employer involvement and they should be focused on delivering permanent jobs to apprentices (either during or after training).
- Providers are responsible for ensuring that the standards set out by NAS are met which includes challenging or not engaging with employers who are not willing to comply with the above. Providers are also responsible for ensuring that any subcontractors meet delivery and quality standards.

There are a number of ways in which quality of training might be estimated or inferred. One way that has been suggested as a means of measuring the quality of an Apprenticeship is to consider the balance between on and off-the-job training or informal and formal training provided. Vivian *et al* found that 91 per cent of apprentices had received formal or informal training during their Apprenticeship. 76 per cent reported that they had received formal training and 15 per cent received informal on-the-job training (without any formal training). Nine per cent did not report receiving either of type of training - though small, this figure is worrying.

In the 2012 Employer Perspectives Survey (Shury *et al*, 2012), the majority of establishments with formal Apprenticeships reported that these involved training (only 2 per cent reported that their formal scheme did not). There are concerns regarding quality arising from the finding of Shury *et al* that nearly one third of those offering Apprenticeships indicated that the training was short (requiring 12 months or less to complete) and 5 per cent reported that their Apprenticeships were 6 months or less. Vivian *et al* found that apprentices are less likely to learn new skills and progress in their careers where the programme is less than six months and the impact of Apprenticeship on the ability to do one's job is lower where there is no formal or informal on-the-job training. Short Apprenticeships and those which do not offer actual training are likely then to be of poor quality and do not adhere to the NAS statement on quality (see above). The Public Accounts Committee (HoC, 2012) highlighted the incidence of short programmes as one of the greatest areas for concern and emphasised that such short programmes are of 'no proper benefit to either individuals or employers'.

In the Evaluation of Apprenticeships survey of learners, Vivian *et al* found that just under half of learners reported that their programme was less than one year in duration and seven per cent reported it to be less than six months. A quarter reported that their Apprenticeship lasted between one and two years and 22 per cent reported Apprenticeships longer than two years. The majority of apprentices considered the duration of their Apprenticeship to be 'just about right' with only four per cent indicating that it was too short. Amongst those whose Apprenticeships lasted less than six months, 11 per cent indicated that they felt this was too short. Short Apprenticeships were considered to have a much smaller impact on the abilities and career prospects of apprentices – two-thirds of apprentices on courses lasting less than

six months felt that they had (or would) acquire skills or knowledge of benefit in their sector compared to 90 per cent of those on courses longer than one year.

Whether or not apprentices' skills are increased or improved after completion of an Apprenticeship should be indicative of the programme's quality, and indeed of its value as a training programme. Vivian *et al* report that overall, learners felt that their Apprenticeship had had a positive impact on their skills and abilities – only four per cent of respondents indicated no improvement across any of the skills areas considered in the survey. Younger apprentices were more likely to report improvements in their skills and abilities than were older individuals. This finding may reflect the fact that many older apprentices would have had previous labour market experience (and perhaps previous training) thus they may not gain as much from an Apprenticeship as those with less experience. Vivian *et al* observe that there are a minority of cases where employers appear to be using the programme to certify employees' existing skills and that the employer has little involvement or engagement with the apprentice.

A more subjective measure from which to infer the quality of Apprenticeships is the level of satisfaction of apprentices with their programme and particular elements of it. Vivian *et al* also report that apprentices were generally positive about the quality of training and other particular aspects of the training they received. They were also satisfied with assessments and feedback from the provider. Most learners (80 per cent) were satisfied with the amount of training they had received and 83 per cent were satisfied with the balance between training and work. Apprentices in construction and engineering frameworks were most likely to be satisfied with these aspects.

As mentioned earlier, the use of subcontracting in provision of Apprenticeships can raise concerns over the quality of training. An Ofsted report (2012) based on visits to 17 providers as well as a survey of 500 apprentices and analysis of national data and inspection reports focused on subcontracting arrangements in evaluating the quality of Apprenticeships however subcontracting does not necessarily equate with sub-optimal quality of Apprenticeship provision. The most effective subcontracting arrangements observed by Ofsted were those between subcontractors and other like-minded independent learning providers working in a consortium or training group. The report concludes that in such circumstances the subcontracting arrangements improved the provider's offer and added value to the apprentices' experiences. In some instances, however, lead contractors considered subcontracting to be a 'way of generating income for doing little work.'

In interviewing apprentices, the Ofsted investigation found that many apprentices did not have real and sustained employment – 25 per cent of the apprentices interviewed during visits to subcontractors and just over a third of those apprentices who completed the online survey (n=500) indicated this to be the case. Insufficient duration of training was found in

some cases and was most frequent in Apprenticeships in IT, retail, leisure, customer service and business administration.

Ofsted (2012) outlines a number of recommendations to ensure the quality of provision of Apprenticeship training with subcontracting arrangements, including: development of guidance on criteria for appropriate lead contractors which are linked to previous performance rather than the value of the contract; monitoring and challenging value for money where management fees charged by lead contractors are high; and ensuring that SASE requirements are being met by Apprenticeship providers. Ofsted also recommends that lead contractors: ensure that all apprentices are clear on their employment status during the training period and should also monitor the number of learners who do not secure sustained employment; justify and be transparent about management fees and charge a rate which reflects their role in delivering and monitoring training; and, be responsible for the quality of provision for all apprentices, including those who receive training through subcontractors.

5.4 Wages and Conditions of Employment

As noted in the NAS statement on the quality of Apprenticeships above (see p.3), the wages and conditions of employment for apprentices form part of the conditions for high quality provision of Apprenticeships. In the past year two studies have considered aspects of pay and conditions for apprentices. In the 2011 Apprenticeship Pay Survey, Higton *et al* (2012) found a number of differences between frameworks with a division noticed (in most cases) between frameworks delivering technical and practical manual skills such as engineering, electrotechnical, and construction) and those in the service sector delivering transferable skills such as business administration, customer services, team leadership and management. Median hourly pay in England was found to be £5.83 (compared to £5.87 in the UK) and mean hourly pay was £5.80 (compared to £5.83 in the UK). Somewhat alarmingly, and contrary to the regulations for Apprenticeship, around five per cent of apprentices in England reported that they did not receive any pay from their employer. Those reporting this were more likely to be: under 18 years of age; from BAME groups; and undertaking Apprenticeships in childcare, etc. The results show an increase in the share of apprentices receiving any pay from 88 per cent (in England) in 2007 to 95 per cent (in GB and UK) in 2011. Overall, the survey responses suggest that many employers are unclear or unaware of the required levels of pay for apprentices and how these vary according to the apprentice's age and the year of their programme (e.g. there were a number of cases where apprentices in their second year of training or in a certain age band received the amount set out for the first year of training or for another age group).

Higton *et al* also consider hours worked by apprentices as well as receipt of training. In the England, 81 per cent of apprentices were contracted to work 30 or more hours per week and

mean contracted hours was 34.5. Overall, five per cent of apprentices were contracted to work less than 16 hours per week – this is lower than the minimum allowed by the Specification of Apprenticeship Standards for England (SASE). Around 54 per cent of apprentices reported that they worked overtime. 46 per cent of apprentices indicated that they received off-the-job training whilst 69 per cent received on-the-job training (35 per cent received both). Around 20 per cent worryingly reported that they had received neither off- nor on-the-job training. Those reporting that they received neither type of training were more likely to be apprentices in service sector frameworks. Where reported, the duration of on-the-job training was on average, twice as long as off-the-job training.

In relation to apprentice pay, BIS (2012a), cites evidence that employers often pay more than the relevant minimum wage. The Government accepted the Low Pay Commission (LPC) 2012 recommendation to increase the Apprentice rate from £2.60 per hour to £2.65 per hour from 1 October 2012. The report cites figures from the LPC's 2012 report and the last Apprentice Pay Survey though it cautions that the next Apprenticeship pay survey will need to be closely considered in order to assess trends in Apprenticeship pay bites ('bite' is defined as the value of the NMW apprentice wage (Apprentice rate) relative to the average wage). BIS (2012a) highlights a number of concerns emerging from the 2011 Apprenticeship Pay Survey, including: 20 per cent of UK apprentices indicating that they received no training; 5 per cent of apprentices reporting that they work fewer than 16 hours per week; and, 5 per cent reporting that they were not paid. The report indicates that Government is looking into these and other areas of concern raised by the Survey and qualitative research into these findings was published in 2013 (see Appendix to BIS Research Paper Number 64). The report also highlights that the Government is working with HMRC to enforce NMW for apprentices and to raise awareness of the requirements for apprentice pay. Around 30 per cent of all NMW cases investigated have involved apprentices and the Government indicates that they are working with other stakeholders as well, such as the National Apprenticeship Service, to deal with non-compliance issues specifically related to apprentices.

5.5 Returns to Apprenticeship

Individual Level Returns

The evidence base indicates that individual learners stand to gain much from undertaking and completing Apprenticeships, though the exact magnitude of certain benefits varies between studies (see Gambin *et al*, forthcoming, for a review of relevant studies on the returns to different forms of learning, including FE and Apprenticeships). On the whole however, Apprenticeships have been found to be associated with higher earnings, higher probability of employment, lower chances of unemployment, and opportunities for career progression and promotion.

Vivian *et al* consider a number of individual level returns to Apprenticeship in the Evaluation of Apprenticeships survey of learners, including different employment outcomes. The majority of completers surveyed (85 per cent) were still in employment at the time of the survey and 64 per cent of all completers were still employed with the same employer as during their Apprenticeship. The unemployment rate was higher for newly recruited apprentices than for existing employees. Of those completers who were still working, three quarters were taking on more responsibility and 71 per cent had improved job satisfaction. More than half of those who had completed their Apprenticeship and were still employed felt that they had better prospects for pay and promotion in the future and that they had more job security. More than one-third had been promoted after their Apprenticeship. Across all frameworks, 83 per cent of those who had progressed in work felt that this was in part due to their Apprenticeship but only 15 per cent said it was a direct result of the programme. Positive work outcomes were more often reported by apprentices who had completed their course in Construction and Engineering; they were also more inclined to attribute these outcomes directly to the Apprenticeship.

Just under half (44 per cent) of all completers had received a pay rise upon completion; this incidence was highest for construction and engineering (77 per cent and 71 per cent respectively) whilst it was least common in retail, business administration and law and ICT (26 per cent, 33 per cent, 31 per cent, respectively). Pay increases were more common where apprentices were new recruits, where they had completed a Level 3 Apprenticeship, and where the training was longer in duration. 84 per cent of apprentices thought that their Apprenticeship would increase future earnings potential. Of those who had completed a Level 3 Apprenticeship, five per cent had commenced a Level 4 Apprenticeship and 33 per cent were considering this in the future. The majority of current apprentices were interested in undertaking further learning.

The outcomes for individuals however do vary according to different characteristics of the training undertaken. As noted in the previous section with respect to quality, Vivian *et al* conclude that apprentices are less likely to learn new skills and to progress in their careers where their Apprenticeship is less than six months long. The impact of Apprenticeship on the ability to do one's job is also considered to be lower where there is no formal or informal on-the-job training. Where apprentices had been employed on a fixed term contract (for the length of their Apprenticeship only) they were less likely to be employed after completion than those on longer or permanent contracts. Nearly one-fifth of these apprentices were unemployed at the time of the survey.

The difference in returns to existing employees and new employees recruited as apprentices are also noted by Higton *et al* (2012). Based on the Apprentice Pay Survey 2011, they found that where existing employees were undertaking an Apprenticeship, the majority (79 per

cent) experienced no change in their pay when starting their Apprenticeship training. 18 per cent had an increase in pay and just two per cent had a reduction in pay upon starting their course.

Gunderson and Krashinsky (2012) consider the returns to Apprenticeship using the 2006 Canadian Census. They compare the returns to Apprenticeships with those attributed to other educational routes such as completion of high school, other trades and community college. They found evidence of a pay premium associated with Apprenticeships for men but not for women. This premium is also estimated to be larger for men in lower quantiles of the pay distribution. Male apprentices are found to earn: 24 per cent more than those whose highest level of education is a high school diploma; 15 per cent more than men with other (non-Apprenticeship) trades; and two per cent more than (community) college graduates. They note that combining apprentices with others with non-Apprenticeship trades in previous work has hitherto underestimated the returns to Apprenticeships. For women, Apprenticeship is found to result in lower wage returns than for those who have only completed high school and also compared to community college graduates. The authors suggest that this is likely due to females undertaking Apprenticeships most often in low-wage jobs in sectors such as food and service.

Another international study, from Australia, based on a small scale, exploratory project looking at the first 10 years of working lives a group of skilled Australian workers compare the returns to two groups of graduate: one from a trade and the other from a HE pathway (Fehring and Herring, 2012). The trade graduates had completed an Apprenticeship provided through RMIT University's technical and further education sector. In the sample, trade graduates were less likely to have undertaken formal study in order to obtain further qualifications than were bachelor graduates. Trade graduates were also more likely to have used the skills acquired during their initial training which they supplemented through informal on-the-job learning. Fehring and Herring also found that life satisfaction scores were similar between the two groups but 10 years after graduation, apprentices tended to earn less than bachelor graduates and they also reported lower satisfaction regarding their prospects for promotion.

Mueller and Schweri (2012) consider the outcomes for individuals after their Apprenticeship training depending on whether they: continue working for their training firm as a skilled worker; change firms but continue working in the occupation for which they have trained; or change firms and work in a different occupation. The analysis attempts to consider the transferability of newly acquired human capital to other firms and different occupations to the one in which training was undertaken. They find that 49 per cent of individuals who have a job one year after completion of their Apprenticeship have left their training employer and that seven per cent have moved out of the occupation in which they trained. Those workers

who changed firms but not occupation were not found to experience any wage difference compared to those who stayed with their training firm. Those who changed occupations however, earned about five per cent less than their colleagues. The authors conclude that occupation-specific human capital is a significant element of Apprenticeship training in Switzerland but they do not find evidence that firm-specific human capital is an important component. The authors note that the irrelevance of firm-specific human capital refutes the idea that Apprenticeships are restricted to a narrow set of skills that limit apprentices' mobility and flexibility in the labour market. The finding that occupation-specific human capital is of importance suggests that apprentices' flexibility may be somewhat reduced compared to students in the general education system where they are not required to choose an occupation at 16 years of age.

The association between Apprenticeships and improved employment outcomes for young people is of particular policy interest, largely due to the current problems of youth unemployment resulting from the recent economic downturn. Steedman (2012) highlights that in countries such as the UK and France, where a low proportion of young people undertake Apprenticeships, youth unemployment is relatively high compared to countries where a considerably larger proportion of the 16 to 24 year olds population undertake Apprenticeships (such as Germany and Denmark). Steedman cautions however, that Apprenticeships are not a cure for youth unemployment and that they are 'first and foremost about skill development to the benefit of companies, their employees and the wider economy.' Unemployment, and more particularly, youth unemployment, has become a growing concern in England, the UK, Europe and more widely given the recent recession and current poor macroeconomic conditions. Görlich *et al* (2013) set out various causes and consequences of youth unemployment highlighting the European Commission's recent launch of the 'Youth Opportunities Initiative' which is designed to support unemployed youth with the aim to supply funds for Apprenticeship and entrepreneurship schemes. The policy briefing also considers the consequences of youth unemployment, mainly scarring effects arising due to patterns of behaviour being established and persisting; skills and motivation declining over an unemployment spell (e.g. skills become obsolete); and employers viewing unemployment spells as a signal of lower productivity. There is also a need to ensure the type and content of training delivered meets the evolving demands from the labour market. Rigid Apprenticeships may not deliver versatile skills and youth may require different and much broader skills than they did in the past. Furthermore, Görlich *et al* note that any policies targeted at reducing youth unemployment need to consider possible crowding-out effects for older age groups.

Whilst not focused solely on Apprenticeships, Heyes (2012) considers governments' approaches to Apprenticeships, other forms of training and other active labour market programmes (ALMP) since the 2008 recession. Vocational education and training (VET)

measures have featured prominently in the responses of EU Member States and many existing training programmes have been expanded and others have been introduced. Heyes looks at the UK, Ireland and Germany and highlights the differences in countries' approaches to training for dealing with the problem of unemployment. He highlights that many of the measures introduced by the UK government in response to the recession and unemployment have been focussed on younger people however, Heyes suggests that new barriers to training and education have been created with the discontinuation of the Education Maintenance Allowance (EMA) and TtG and increasing the cost of further education courses. Heyes also argues that training measures have played a relatively minor role in the response to the jobs crisis in 'market-led' VET systems like in the UK.

In an update of the UK Commission for Employment Skills Youth Inquiry, recruitment processes are discussed in some detail with respect to how youth transitions from school to work might be facilitated (UKCES, 2012). This report suggests that for employers to create more entry points and progression routes for young people, for which there is a clear economic and social case for doing so, they need to adapt their current recruitment processes – extending beyond recruitment of graduates and using more than informal or word of mouth recruitment. The report also recommends that businesses build commitment to young people into their business plans for example by providing Apprenticeships or offering other forms of work experience to young people. Ways of opening recruitment up to non-graduates have included offering foundation courses and Apprenticeships. UKCES cites the recent Evaluation of Apprenticeships (survey of employers, Winterbotham *et al*) as providing evidence of employers finding the talent they need without relying totally on graduates – as indicated by their satisfaction with Apprenticeships. The report also highlights that there is a problem of demand with few employers recruiting young people directly from education – which is different from other countries like Germany.

A report published by the European Centre for the Development of Vocational Training, Cedefop (2012), analyses data from the 2009 *ad hoc* module of the European Labour Force Survey (EU LFS) to consider transitions of young people from education to work (or not) and compares outcomes for those who undertake vocational education and training, such as Apprenticeships, to those who go through the general education stream. The report considers Apprenticeship¹⁰ where the data allow for this distinction to be made. The study suggests that VET programmes with greater workplace content are associated with better

¹⁰ The authors define various types of VET including Apprenticeship, which they define as 'systematic, longer-term training in which trainees alternate their training hours between the workplace and the educational institution or training centre.' There is a contractual relationship between employers and apprentices and apprentices are remunerated.

labour market outcomes for the youngest individuals considered. They find that VET is effective in getting people into work and that Apprenticeship is particularly valuable in this respect. A number of reasons that training and education in the workplace has advantages over that in schools are outlined, including: 1) a number of aspects of workplace training are difficult to replicate in the school environment (e.g. the use of up-to-date equipment, development of soft skills); 2) workplace training supports the flow of knowledge and information between employees and employers thus improving the employees' chances of being offered a job; and, 3) the productive contribution of trainees in the workplace can indicate the market value of their training.

Cedefop (2012) also shows that there is a greater likelihood of an individual being employed after attending a VET course with workplace content, namely an Apprenticeship, when combined with previous experience. Apprenticeships are also found to reduce the time it takes to find a first job. These results are valid for 20 to 24 year olds but the effect is negligible for older workers (25 years or older). The authors also find that cumulative periods of being out of work are shorter for those who complete workplace-based training programmes (Apprenticeships) than those who graduate from school-based programmes. The report also concludes that 'work experience already gained in the educational programme, such as through Apprenticeship, can help the individual to find a formal and stable job.'

The employment effects of skills programmes for adults were explored by Ofsted (2012) (skills for employment). Ofsted visited 45 learning providers to assess the efficiency of various systems used to match unemployed adults to training provision and how effective this provision has been in developing the employability skills of adults and supporting their progression into sustained employment. In one case, a college had designed and implemented a short course that was linked to Apprenticeships and had successfully led into employment. Ofsted marked this programme as a demonstration of good practice as it: ring-fenced Apprenticeship places especially for young people; it provided the opportunity for individuals to learn basic skills for the sector (construction); and, it included a mentoring scheme to help ensure that participants were focused on achievement and could overcome any personal barriers to training and employment.

Also in relation to the effects of Apprenticeship on employment outcomes, Wilson (2013) revisited the evidence base related to the evaluation of ALMPs aimed at young people in order to inform the design of programmes for young people aged 19 to 24 years who are unemployed, not in learning and have low or no qualifications. The review identifies five factors associated with relatively successful training interventions include: 1) targeting eligibility of programmes; 2) smaller scale programmes; 3) programmes focusing on work experience and the transition to work; 4) addressing wider barriers to employment in order to

tackle multiple disadvantage; and 5) adopting a joined up approach to address unemployment locally.

McCrone *et al* (2013) consider training provided to young people who are not in employment, education or training (NEETs) following additional funding being provided for this group in 2011/12 in order to build on existing capacity in colleges and other organisations so that they could offer programmes which would get individuals to a point where they could secure an Apprenticeship or other employment. The study found that the provision of programmes to NEETs was widely reported to have had positive impacts on the confidence, aspirations, skills development and motivation for progression into employment shown by learners. The report also cites some early evidence of progression – around one third of young people who responded to a follow-up (email) survey reported that they had progressed onto employment, Apprenticeship, FE or voluntary positions. McCrone *et al* report that the learners involved in the programme had, in general, benefited from the opportunity. On completion they were found to be more resilient and better able to plan their futures. The authors conclude that in future, it is important that providers work with partners to understand what is required for young adults to progress onto further training or employment. Providers also felt that ‘ring-fencing’ of funds for this particular age group was necessary to stabilise provision. Flexibility in funding too is important so that providers can meet the needs of local young people and communities.

Fletcher (2012b) similarly considered the potential contribution of colleges in tackling unemployment through provision of programmes which would help put young people in a place where they could secure Apprenticeships, other employment, or further training/education. One of the examples of such provision included a scheme in which the college could work with vulnerable, young NEET people in order to prepare them for an Apprenticeship and support the young person through the interview process and the early stages of the Apprenticeship programme.

Total Returns to Apprenticeship

There are few studies which estimate directly the total impact of Apprenticeships on society or the economy as a whole. In the past year, CEBR (2013) produced an overall estimate, however the methodology adopted and the assumptions underlying that analysis is relatively limited and thus the results are to be interpreted with caution. The main estimate produced by the analysis is that Apprenticeship completions between 2012/13 and 2021/22 will contribute £3.4 billion in net productivity gains to the UK economy, in real terms, the results however are sensitive to the underlying assumptions regarding such issues as the capacity for continued growth in Apprenticeships, the assumed future participation of employers, and displacement effects are not considered.

Conlon *et al* (2012b) present a literature review on the impact of investment in intangible assets on productivity spillovers and provide a summary of theory underlying the concepts of intangible assets and spillovers. The authors cite various studies in which Apprenticeship constitutes one of the investments made which result in benefits to employers and others. They suggest further development of existing studies, such as the IER Net Benefits of Training to Employers studies, in order to understand the investment incentives encountered by firms. In the longer term, Conlon *et al* suggest analysis of matched employer-employee data to look at various issues such as whether spillovers stem from Apprenticeships and other forms of vocational education and training as much as has been attributed to higher education and who benefits most from investment in different levels and forms of education and training. Looking at the extent to which spillovers result from different types of qualification they highlight the possibility of analysis by sector, type of learner, and firm size.

In considering the total benefits to training programmes which attract public funding, it is necessary to account for the effects of State funding on the outcomes, particularly the level of deadweight loss associated with such funding. The Public Accounts Committee investigation of adult Apprenticeships emphasised the need to consider training that would have taken place even in the absence of public funding and insisted that estimates of additionality for the programme be produced (HoC, 2012).

Conlon *et al* (2012a) conducted a study seeking to improve the current assessment of deadweight loss (and additionality) associated with Further Education (FE) and skills. The aims and objectives of the study included: developing a conceptual framework to consider the various routes through which deadweight loss (DWL) might occur; assessing previous evidence on DWL in Apprenticeships and other areas of FE; scoping existing datasets with regards to their usefulness in such analyses; providing estimates of DWL for Apprenticeships and other learning streams in FE; and identifying gaps in the evidence and data for future consideration. Using data from NESS09, the authors provide estimates of quantitative DWL and additionality for Apprenticeships and Train to Gain (TtG). Conlon *et al* estimate the quantitative deadweight loss associated with Apprenticeships to be approximately 28 per cent implying that without any public funding for the programme, 28 per cent of apprentices would have received some training anyway. For firms training 16 to 18 year olds only, the estimated deadweight is 16 per cent whilst for firms offering Apprenticeships only to those aged between 19 and 24 years, the estimate is 27 per cent. Deadweight loss was estimated to be higher (44 per cent) amongst firms training apprentices aged 25 years and older only. The authors note that these estimates are lower than those obtained in an earlier study (Anderson and Metcalf, 2003) where the estimates ranged between 44 per cent and 53 per cent. The authors also note that their estimates do not consider qualitative additionality (i.e. the extent to which workers received better training as a result of the Apprenticeship programme). The two main problems they encountered in

their approach were the quality and extensiveness of the required data and the identification of an appropriate counterfactual. Going forward, they consider there to be two fundamental actions: 1) ensure that any data being collected through established processes should address the limits they encountered in their analysis; and, 2) new data could be collected which is designed specifically to address deadweight loss and additionality. The report also suggests that matched employer-employee data is required to estimate various components of deadweight and additionality associated with Apprenticeships. Conlon *et al* also suggest use of the existing Workplace Employers Relations Survey (WERS) for potential further analysis and they highlight the possibility of matching other employer-level surveys, such as the Evaluation of Apprenticeships survey of employers or the National Employer Skills Survey (NESS), to employee level data.

5.6 Advice and Guidance

Earlier chapters in this report have mentioned the role of IAG in promoting Apprenticeships and how the current provision of IAG in schools is not effectively providing young people with sufficient information on Apprenticeship and other alternatives to university. The House of Lords (2007) highlighted the shortcomings of the careers guidance service in providing effective guidance to young people so that they are better placed to obtain an Apprenticeship, should they want one. In order to improve on this, provisions regarding IAG were included in the Apprenticeships, Skills, Children and Learning Act 2009 and the statutory duty of schools to provide impartial careers guidance to all students in Years 9 to 11 on the options for 16-18 education and training (including Apprenticeships) came into effect in September 2012. Appropriate IAG should enhance the attractiveness of Apprenticeships to young people as it would provide them with not only awareness of the options available to them but also to the potential returns afforded to Apprenticeships.

Following the inception of the new statutory requirement on schools regarding IAG, The House of Commons Education Committee (HoC, 2013) held an inquiry considering the various aspects regarding the guidance on offer as well as the outcomes following receipt of guidance and the overall coherence of the careers guidance offered to young people. The Inquiry drew on various evidence submissions and reports including BIS-commissioned research and Ofsted reports. Amongst the submissions it was indicated that many teachers have limited knowledge of 'the world of work and of alternative paths, including Apprenticeships' which affects their ability to provide appropriate guidance. There was also evidence that despite the statutory requirement for guidance and information on all options be provided to students, many young people do not receive this. The Inquiry's report cites an Ofsted finding that advice and guidance to young people regarding alternative pathways was not of good quality. The Inquiry also cites a BIS report that the level of awareness and resources about Apprenticeships is lacking in schools and colleges. Whilst the Department

for Education had outlined that it does not expect teachers to become experts on Apprenticeships but rather they should direct students to the National Apprenticeship Service (NAS), the Inquiry noted that the remit of NAS does not extend to operating in schools. A number of witnesses to the Inquiry agreed that this should change and the recommendations of the Education Committee include extending the remit of NAS to include the promotion of Apprenticeships in schools.

Within the Ofsted good practice report on Apprenticeships (Ofsted, 2012), one of the recommendations to BIS was to improve the national availability of careers guidance on post-16 options and they recommended that schools should provide guidance to support students in completing applications for Apprenticeships.

The importance of appropriate IAG for prospective Apprenticeships is not lost on employers. CIPD (2013) noted that one of the key issues highlighted by employers and training providers about the lack of interest in or awareness of Apprenticeships amongst school leaver (particularly those with higher academic achievements) is the influence of parents and teachers alongside relatively incomplete information available through careers advice and guidance at school in relation to all available options. Mann and Caplan argue that employers themselves are well placed to collaborate with schools and colleges to provide relevant and reliable information on Apprenticeships to young people.

5.7 Approaches to Delivery and Funding

The funding of Apprenticeships, and in particular the balance between financial backing from the State and that provided by employers, is an area undergoing much analysis and change over recent years, as noted in section 4.6 with regards to employers. Further reforms to the funding system and the training system more generally are expected in coming years. The Richard Review recommends that the role of market forces should be increased in Apprenticeships and a number of different delivery approaches (e.g. Group Training Associations (GTA)) are being considered with respect to this idea. Unwin (2012) reports on the inquiry into the role of GTAs which examined the definition and public purpose of GTAs in order to provide 'an authoritative statement to support the work of GTA England and to inform policymaking.' Within the Inquiry issues such as the current use of the concept of GTA, the understanding of GTAs from the employers' perspective (as well as others') and the potential for GTAs to play a bigger part in addressing the employers' needs and concerns around skills formation were considered. Unwin provides a description of the origin and development of GTAs in the UK as well as similar approaches to training in Australia. GTAs are set out as being distinctive from other organisations in a number of ways, including:

- GTAs have evolved in response to the needs of and strategic leadership of local employers (who are in turn directly involved in the GTA's governance and in the development of curricula and teaching/learning approaches);
- GTAs operate as not-for-profit organisations;
- they deliver Intermediate and Advanced Apprenticeships with a high level of technical content which lasts from 2 to 4 years and comprises substantial off-the-job training; and,
- GTAs provided particular support to SMEs to enable them to meet the costs of delivering high quality Apprenticeships – this is made possible through economies of scale and high quality training centres.

The report also sets out a number of recommendations for facilitating the role of GTAs in the Government's plans for economic growth, rebalancing the economy, increasing the stocks of technician and higher level skills, and the expansion and improvement of Apprenticeships', including:

- the Government should adopt the GTA Framework (Unwin, p. 13) which is underpinned by the GTA Code of Ethics (Unwin, p.14) in order to acknowledge and conserve the distinctive features of GTAs;
- the Government and its agencies should work with GTA England to plan the development of new GTAs in other areas of the country (where they do not exist already or where they have a limited presence) and also to plan the expansion of existing GTAs;
- GTA England should manage the accreditation process for new GTAs;
- any expansion of GTAs must be 'rooted in the needs and circumstances of local areas and in the potential for growth in new and emergent sectors';
- employers must also make financial contributions to the sustainability and expansion of GTAs;
- GTAs should be carefully and consistently distinguished from Apprenticeship Training Agencies (ATAs) in all policy documents;
- GTA England should consult with members regarding the value of benefits of managing a single contract with the Skills Funding Agency whilst protecting and promoting the individual identity of GTAs;
- In order to reach more SMEs, employees and learners, GTA England and GTAs should build relationships with trade unions.

A recent reform related to the funding of Apprenticeships (and FE more widely) is the introduction of Advanced Learner Loans for apprentices over the age of 24 years. The rationale behind loans to learners is that (as discussed in Chapter 3) individuals themselves benefit from completing an Apprenticeship and therefore it is not unreasonable that they

treat their participation as an investment in their human capital and thus contribute to the costs. This is analogous to the reasoning behind shifting more of the costs of training onto employers who also benefit from programmes like Apprenticeships.

TNS-BMRB (2012) carried out research to inform the impact and equality assessments and to provide insight into learner behaviour in relationship to the potential for learners to take out Further Education loans. Potential advanced apprentices were presented with 'cold' information regarding FE loans as well as more general attitudes towards debt and their motivations for studying. Whilst the response to 'cold' information on loans (i.e. unexplained presentation of the idea) was generally negative, when further information on loans was presented their perceptions changed somewhat. Differences regarding people's willingness to take up FE loans were found according to age (younger more likely to take up an FE loan), ethnicity (non-White respondents more likely to take up study and take out a loan), and employment status. Many people in the study felt that individuals should contribute to the costs of study. Others felt that loans would reduce the participation rate and that there would be further negative effects on employers as a result.

BIS (2013b) considered the likely responses to 24+ Advanced Learning Loans of specific learner groups, namely: 1) learners aged 40+ years (particularly those out of work); 2) learners with mental or physical disabilities or learning difficulties; 3) learners seeking to take up Advanced or Higher Apprenticeships; and 4) Muslim learners. The most significant themes found to influence learners' views of the impact of 24+ Advanced Learning Loans include: motivation and commitment to learning; ability to pay; financial awareness and experience; and attitudes to the principle of state-funded education. In reaction to loans, there were two main views found: 1) older and 'internal' (apprentices who had been with their employer for a number of years) were generally negative about the prospect of loans; and 2) younger apprentices were more accepting the idea of loans. Apprentices were relatively unconcerned about the impact of the removal of the subsidy for their Apprenticeships as they would expect employers to continue to fund training but many wondered whether this would remain in the future. Younger apprentices were more likely to accept that they had to take on more of the costs of training and saw loans as a good means of doing so but the acceptability would of course depend on the level of costs. Older and 'internal' apprentices were more negative about the removal of the subsidy and felt that employers would be less inclined to bear increased costs. This group also held stronger views about the principle of free education. The lack of information about employer reactions to the removal of the subsidy influenced the likely impact of Loans on learner behaviour and the level of costs to be incurred by learners themselves would largely determine their reactions.

5.8 Summary of Wider Research Themes

There are a number of issues which have been considered in analyses and reviews over the past year which are of interest to individuals, employers, policymakers and more generally. The issues presented here are certainly ones where policy development is underway and where reforms / changes are likely to be observed in the next few months and years. Some of the key findings noted in relation to the research considered in the preceding sections of this chapter are:

- The progression of apprentices onto further learning, including advanced levels of Apprenticeship and HE is considered to be important for two main reasons: the role progression plays in upskilling workers to higher levels of qualification and the opportunity it presents for individuals from certain backgrounds to progress to advanced learning which they would not be likely to undertake without a pathway being provided through Apprenticeship;
- There seems to be interest amongst apprentices to progress, especially onto HE, however there is limited data available to analyse progression behaviour and trends and from the data available the number of apprentices that have progressed to HE is small;
- Apprenticeships in England have been under recent scrutiny with respect to the quality of the programme and the quality of various aspects of the training being provided. Recent reviews, including the Richard Review, have highlighted the need to ensure quality and NAS has outlined some of the features of 'high quality' Apprenticeship provision against which some sort of benchmarking of programmes might be done;
- There are many examples of good practice which seem to be aligned with what NAS and others consider as high quality Apprenticeship provision however a number of surveys do indicate that there are some lapses in quality. Poor quality Apprenticeships are indicated in some studies through apprentice reports of receiving no training (either formal or informal), short duration Apprenticeships (particularly those 6 months or shorter), and cases where individuals do not feel as if they have improved their skills and abilities as a result of their Apprenticeship training;
- There are definite benefits of Apprenticeship to be had by individuals including career progression, better pay and improved employment prospects. The employment effects of Apprenticeship have been highlighted in skills strategies and policies concerned with youth unemployment – this is so across much of Europe where there are established Apprenticeship systems. Whilst skills, and more specifically Apprenticeships, indeed have a role to play in addressing problems with the transition from education to work and youth unemployment, they should not be considered a panacea;

- The total benefits of Apprenticeships are not easily calculated though there have been a number of attempts to do so. A particularly important issue to address when assessing the overall benefit of Apprenticeships is the level of deadweight loss and additionality associated with Government funding of Apprenticeships. Recent studies have attempted to estimate deadweight and additionality and highlight the need for better data (e.g. matched employer-employee datasets) for this and for estimating total returns;
- As noted in earlier chapters concerned with research relevant to individuals and employers, the provision of information, advice and guidance (IAG) in schools is a concern for many due to the implications poor IAG or the lack of IAG can have on individual's decisions for learning and work. The need to improve IAG and to ensure that it provides young people with robust information about all post-16 options for education and training, including Apprenticeships, has been emphasised in a number of studies and particularly in reviews and policy documents. This improvement would most likely have a positive effect on interest and participation of young people in Apprenticeships;
- Finally, funding (especially the balance of costs being borne by employers and the State) is an area of policy currently being revised and there have been a number of consultations and analyses of how different approaches would impact on employer (and learner) behaviour. A number of reviews have recommended that not only should employers bear more of the costs of training Apprenticeships (as employers gain from this provision) but they should also have greater influence over Apprenticeship content and provision and should have control over how public funding is spent. A number of different approaches to delivery and the employers' role are being considered including Group Training Associations (GTAs).

6. FINAL COMMENTS

The Apprenticeship programme is one which continues to attract significant backing from the Government, featuring in its *Skills Strategy* and plans for economic growth. The programme has survived recent public spending reviews and has received considerable cross-party support. As an area of policy priority, it is fully expected that Apprenticeships will continue to gain interest and will be subject to further evaluation and study over the coming years.

This review of Apprenticeships research has helped to highlight the vast amount of analysis and comment being carried out which has relevance (either directly or indirectly) for the programme. The research included in this report provides a number of interesting results, most of which support and expand on previous findings. Amongst the key issues that have emerged over the past year (the period of this review) are: the quality of Apprenticeships; funding issues; the importance of IAG; and as always, the importance of the employer in Apprenticeships. Also covered in recent research and policy outputs are the returns to Apprenticeship (for learners, employers and the State); the importance of assessing deadweight and additionality when considering the total returns; and the reasons for individuals and employers participating in Apprenticeships (or not).

In drawing conclusions from the research that has been discussed here and throughout the study, it is important to be aware of the methods and assumptions underlying each analysis. These factors impact significantly on the overall findings and affect the robustness of results. In many cases, small samples restrict the generalisation of findings and in many studies case study evidence covering very few individuals/organisations requires that results are treated as indicative only. Whilst providing some interesting insights, care should be taken when considering research based on a small number of case studies, or in some instances, on just one or two employers. The evidence base has however expanded in recent years and increasingly evidence is being generated from robust analysis of large datasets. Many studies also highlight limitations of their own analysis and data and have provided useful recommendations for future analysis and data collection/collation. Linked employer-employee data, for instance, tends to be viewed as especially important in this area of research according to a number of authors of publications reviewed during this project.

As always, it is important when looking at Apprenticeships, to recognise that there is much variation between sectors as well as across individuals. Various sources of heterogeneity should be considered when carrying out analysis and of course when designing policy aimed at increasing engagement (of learners and employers) and improving outcomes.

BIBLIOGRAPHY

- ALDRIDGE, F. and D. HUGHES (2012). 2012 NIACE Adult Participation in Learning Survey. Leicester: National Institute of Adult Continuing Education.
<http://shop.niace.org.uk/media/catalog/product/n/i/niaceparticipationsurvey2012.pdf>
- BACKES-GELLNER, U. and S. TEUBER (2012). 'How do companies adapt their organization to national institutions: evidence from matched-pair engineering companies.' Leading House Working Paper, No. 82. The Swiss leading House on Economics of Education, Firm Behavior and Training Policies. http://www.isu.uzh.ch/leadinghouse/WorkingPapers/0082_lhwpaper.pdf
- BESLEY, S. (2012). 'Pocket Watch - The latest Apprenticeship Review.' Pearson Think Tank Pocket Watch 2012/38. Published on 19 June 2012. Available from:
<http://www.consortium.org.uk/assets/latest%20Apprenticeship%20review%20june%202012.pdf>
- BIS (2012a) National Minimum Wage: Interim Government evidence to the Low Pay Commission 2012. London: Department for Business, Innovation and Skills.
<http://www.bis.gov.uk/assets/BISCore/employment-matters/docs/N/12-p157-national-minimum-wage-interim-evidence-2012.pdf>
- BIS (2012b) Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held. Quarterly Statistical First Release SFR15, published on 28 June 2012. BIS and The Data Service: London. Available from:
http://www.thedataservice.org.uk/NR/rdonlyres/F062DDAF-DCDD-4D5F-82FD-BE37624B29F6/0/SFR_commentary_June_2012.pdf
- BIS (2012c) The Richard Review of Apprenticeships: Background Evidence. Background evidence pack. BIS: London. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/r/12-915-richard-review-Apprenticeships-background-evidence.pdf>
- BIS (2013a) Motivation and barriers to learning for young people not in education, employment or training. BIS Research Paper Number 87. London: Department for Business, Innovation and Skills.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70141/bis-13-548-motivation-and-barriers-to-learning-for-young-people-not-in-education-employment-or-training.pdf
- BIS (2013b) '24+ Advanced Learning Loans: Specific Learner Groups'. BIS Research Paper Number 100. London: Department for Business, Innovation and Skills.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48832/13-547-24-plus-advanced-learning-loans-specific-learner-groups.pdf
- BIS/NAS (2012) . "Apprenticeship measures," on BIS website: <http://www.bis.gov.uk/policies/further-education-skills/Apprenticeships>
- BROWN, J., ROTHMAN, S. and C. UNDERWOOD (2012) The 'On Track Survey' 2011 Longitudinal Report: The 2007 Cohort 4 Years On. Victoria: Department of Education and Early childhood Development.
<http://www.eduweb.vic.gov.au/edulibrary/public/voced/ontrack/longitudinal2011.pdf>
- BUSEMEYER, M., NEUBAUMER, R. PFEIFER, H. and F. WENZELMANN (2012). 'The transformation of the German vocational training regime: evidence from firms' training behaviour.' Industrial Relations Journal, 43(6): 572-591.
<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2338.2012.00697.x/abstract;jsessionid=5F3D14CBCDFBD9624BDF697A234AA897.d01t04?deniedAccessCustomisedMessage=&userIsAuthenticated=false>

- BUTLER, V. (2012). 'Apprenticeships: The ethnic minority gap.' Comment in the Fabian Review. Online only: Fabian Society. <http://www.fabians.org.uk/Apprenticeships-a-missed-opportunity-for-too-many-ethnic-minority-young-people/>
- CBI and PEARSON (2012) Learning to grow: what employers need from education and skills. Education and skills survey 2012. London: CBI/Pearson. 58 pages. Available from: http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf
- CEBR (2013). Productivity Matters: The impact of Apprenticeships on the UK economy. Centre for Economics and Business Research. <http://www.Apprenticeships.org.uk/About-Us/~media/Documents/Productivity-Matters-Report-FINAL-March-2013.ashx>
- CEDEFOP (2012) From education to working life: the labour market outcomes of vocational education and training, Luxembourg: Publications Office of the European Union. http://www.cedefop.europa.eu/EN/Files/3063_en.pdf
- CHRISTMAN, S. (2012) 'Preparing for success through Apprenticeship,' Technology and Engineering Teacher, 72(1): p22-28. http://content.ebscohost.com/pdf27_28/pdf/2012/BBGG/01Sep12/79724970.pdf?T=P&P=AN&K=79724970&S=R&D=aph&EbscoContent=dGJyMMvI7ESep7U40dvuOLCmr0qeprRSs664SrOWxWXS&ContentCustomer=dGJyMPGgsk2xqLJNuePfgeyx44Hy
- CIPD (2012) Labour Market Outlook: Spring 2012. Part of CIPD Outlook Series. London: Chartered Institute of Personnel and Development. 18 pages. Available from: <http://www.cipd.co.uk/binaries/5847%20LMO%20Spring%202012%20%28WEB%29.pdf>
- CIPD (2013). Employee Outlook: Focus on Apprenticeships. London: Chartered Institute of Personnel and Development. [http://www.cipd.co.uk/binaries/6138%20EO%20Focus%20Spring%202013%20\(WEB\).pdf](http://www.cipd.co.uk/binaries/6138%20EO%20Focus%20Spring%202013%20(WEB).pdf)
- CLOUGH, B. (April 2012) "The role and impact of unions on learning and skills policy and practice: a review of the research," unionlearn with the TUC Research Paper 16. London: unionlearn. 50 pages. Available from: <http://www.unionlearn.org.uk/files/publications/documents/231.pdf>
- CONLON, G., P. PATRIGNANI, P. and A. LITCHFIELD (2012a). Assessing the Deadweight Loss Associated with Public Investment in Further Education and Skills. BIS Research Paper Number 71. Published May 2012. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/a/12-767-assessing-deadweight-loss-with-investment-further-education.pdf>
- CONLON, G., P. PATRIGNANI, R. FLYTKJAER and M. HALTERBECK (2012b) The Impact of Investment in Intangible Assets on Productivity Spillovers, BIS Research paper Number 74, May 2012. London: BIS. 171 pages. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/i/12-793-investment-intangible-assets-on-productivity-spillovers.pdf>
- COOK, J., PRINGLE, S., PATES, R. and R. REDMAN (2012) An initial formative evaluation of Best Market Solutions, UKCES Evidence Report 60. Wath-upon-Deane: UK Commission for Employment and Skills. <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-60-an-initial-formative-evaluation-bms-es-2.pdf>
- DAVEY, G. and A. FULLER (2013). Hybrid qualifications, institutional expectations and youth transitions: a case of swimming with or against the tide. Sociological Research Online, 18(1/2). 10 pages. <http://www.socresonline.org.uk/18/1/2.html>
- DfE/BIS (2013a). The future of Apprenticeships in England: next steps from the Richard Review. London: Department for Education and Department for Business, Innovation and Skills.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190632/bis-13-577-the-future-of-Apprenticeships-in-england-next-steps-from-the-richard-review.pdf

DfE/BIS (2013b). 'Traineeships: Supporting young people to develop the skills for Apprenticeships and other sustained jobs'. A discussion paper. London: Department for Education and Department for Business, Innovation and Skills.

http://media.education.gov.uk/assets/files/pdf/t/updated_%20traineeships%20discussion%20paper%20-%20january%202013.pdf

DUMBRELL, T. and E. Smith (2012). 'Pre-Apprenticeships in Australia: differing orientations and their policy implications.' Journal of Vocational Education & Training, iFirst article, pp. 1-16.

<http://www.tandfonline.com/doi/abs/10.1080/13636820.2012.738428>

EDULJEE, G. (2012). 'Skills in sustainability: what is the waste sector looking for in long-term workers and is it being catered for?' Sustainable Skills: The Future of the Waste Management Industry, pp. 8-12. London: Associate Parliamentary Sustainable Resource Group.

<http://www.policyconnect.org.uk/sites/default/files/Policy%20Connect%20APSRG%20pages%202%20-%2051.pdf>

EVANS, S. and G. BOSCH (2012) 'Apprenticeships in London: Boosting skills in a city economy - with comment on lessons from Germany', OECD Local Economic and Employment Development (LEED) Working Papers, 2012/08, OECD Publishing. <http://www.oecd-ilibrary.org/docserver/download/5k9b9mjcpx35.pdf?expires=1359130052&id=id&accname=guest&checksum=FC94854B15EDFAC00E8F088E1B151362>

FSB (2012). The Apprenticeship Journey. London: Federation of Small Businesses.

<http://www.fsb.org.uk/policy/overview4.asp>

FEHRING, H. and K. HERRING (2012) "The Working Lives project: a window into Australian education and workforce participation," Journal of Education and Work, iFirst Article, pp. 1-20.

Available from: <http://www.tandfonline.com/doi/abs/10.1080/13639080.2012.693585>

FISHER, R. and R. SIMMONS (March 2012) "Liberal conservatism, vocationalism and further education in England," Globalisation, Societies and Education, 10(1): 31-51. Available from:

<http://www.tandfonline.com/doi/abs/10.1080/14767724.2012.646881>

FLETCHER, M. (2012a) Effective transitions from school to work: the role of FE colleges. A 157 Group Policy Paper, Publication reference 157G-104. London: 157 Group.

http://www.157group.co.uk/files/effective_transitions_from_school_to_work.pdf

FLETCHER, M. (2012b) Tackling unemployment: the college contribution. A 157 Group policy paper. Publication reference 157G-102. London: 157 Group. Available from:

http://www.157group.co.uk/files/tackling_unemployment2.pdf

FULLER, A., J. TURBIN, L. UNWIN, D. GUILLE and J. WINTRUP (2013a). Technician and intermediate roles in the healthcare sector. London: The Gatsby Charitable Foundation.

<http://www.gatsby.org.uk/~media/Files/Education/ReportPV4WEB.ashx>

FULLER, A., S. RIZVI and L. UNWIN (2013b). Apprenticeships and regeneration: the civic struggle to achieve social and economic goals. British Journal of Educational Studies, 61(1): 63-78.

<http://www.tandfonline.com/doi/abs/10.1080/00071005.2012.756168?journalCode=rbye20>

GEAY, A. (1998) L'école de l'alternance, Paris: L'Harmattan.

GÖRLICH, D., I. STEPANOK, and F. AL-HUSSAMI (2013). Youth unemployment in Europe and the world: causes, consequences and solutions. Kiel Policy Brief, IfW, No. 59.

<http://hdl.handle.net/10419/70102>

- GUNDERSON, M. and H. KRASHINSKY (April 2012) "Returns to Apprenticeship: Analysis based on the 2006 Census," CLSRN Working Paper No. 99. Vancouver: Canadian Labour Market and Skills Researcher Network. 28 pages. Available from:
<http://www.clsrn.econ.ubc.ca/workingpapers/CLSRN%20Working%20Paper%20no.%2099%20-%20Executive%20Summary.pdf>
- HAHN, C. (2012) "Apprenticeship in higher education in France: an experimental device to help apprentices to link academic knowledge and work experience," *Journal of Vocational Education & Training*, 64(1): 75-85. Available from:
<http://www.tandfonline.com/doi/abs/10.1080/13636820.2011.622446>
- HAIDINGER, B. and R. KASPER (2012) "Learning to work: young people's social and labour-market integration through Supra-Company Apprenticeship Training in Austria," *Social Work and Society - International Online Journal*, 10(1): 17 pages.
<http://www.socwork.net/sws/article/view/305/641>
- HEYES, J. (2012) "Vocational training, employability and the post-2008 jobs crisis: Responses in the European Union," *Economic and Industrial Democracy*, OnlineFirst Version, 0(0): 1-21. Available from: <http://eid.sagepub.com/content/early/2012/06/07/0143831X12445624>
- Higher Education, Skills and Work-based Learning Special Issue: The Future of Higher Apprenticeships in the UK For details, contents and abstracts, see:
<http://www.emeraldinsight.com/journals.htm?issn=2042-3896&volume=2&issue=3>
- HIGTON, J., K. KAUR-BALLAGAN, J. SHAH and K. MEDIEN (2012) Apprenticeship Pay Survey 2011. BIS Research Paper Number 64. March 2012. 166 pages. Available from:
<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/a/12-p137-Apprenticeship-pay-survey-2011.pdf>
- HIPPACH-SCHNEIDER, U., WEIGHEL, T., BROWN, A. and P. GONON (2012) 'Are graduates preferred to those completing initial vocational education and training? Case studies on company recruitment strategies in Germany, England and Switzerland'. *Journal of Vocational Education and Training*, iFirst article.
<http://www.tandfonline.com/doi/abs/10.1080/13636820.2012.727856>
- HoC Public Accounts Committee (2012) "Adult Apprenticeships," Eight-fourth Report of Session 2010-12. HC 1875. London: The Stationery Office Limited. House of Commons Public Accounts Committee. 18 pages + Evidence Submissions. Available from:
<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/1875/1875.pdf>
- HOGARTH, T., GAMBIN, L. and B. BALDAUF. (2012a) Employer investment in Apprenticeships in the health sector. Final Report to Department for Business, Innovation and Skills. London: BIS. <http://www.Apprenticeships.org.uk/About-Us/~media/Documents/Publications/Net-Benefits-to-Employers-of-Apprenticeships-in-He.ashx>
- HOGARTH, T., L. GAMBIN, M. WINTERBOTHAM *et al.* (2012b) Employer Investment in Apprenticeships and Workplace Learning: The Fifth Net Benefits of Training to Employers Study, BIS Research Paper Number 67. London: BIS. May 2012. 196 pages. Available from:
<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/12-814-employer-investment-in-Apprenticeships-fifth-net-benefits-study.pdf>
- HOLT, J. (2012) Making Apprenticeships more accessible to small and medium-sized enterprises. A review by Jason Holt, CEO, Holts Group of Companies. 29 August 2012.
<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/m/12-891-making-Apprenticeships-more-accessible-to-smes-holt-review>

- HOUSE OF COMMONS (2012) Apprenticeships: Fifth Report of Session 2012-13, Volume I: Report, together with formal minutes. House of Commons Business, Innovation and Skills Committee. HC 83-I. <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/83/83.pdf>
- HOUSE OF COMMONS (2012) Youth unemployment and the Youth Contract, Second Report of Session 2012-13, Volume 1: Report, together with formal minutes, oral and written evidence. London: The Stationery Office Limited. <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmworpen/151/151.pdf>
- HOUSE OF COMMONS (2012). Apprenticeships: Fifth Report of Session 2012-13, Volume I. House of Commons Business, Innovation and Skills Committee. London: The Stationery Office Limited. <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/83/83.pdf>
- HoC EDUCATION COMMITTEE (2013). 'Careers guidance for young people: The impact of the new duty on schools.' Seventh Report of Session 2012-13, Volume I: Report, together with formal minutes. HC 632-I. House of Commons Education Committee London: The Stationary Office Limited. <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmeduc/632/632.pdf>
- HUTCHINSON, J., D. Devins, T. Hooley and S. Kelsey (May 2012) "Developing business, developing careers: How and why employers are supporting the career development of their employees," Report for the UK Commission for Employment and Skills. Wath Upon Dearne: UKCES. 18 pages. Available from: <http://www.ukces.org.uk/assets/ukces/docs/publications/developing-business-developing-careers.pdf>
- IMDORF, C. and R. LEEMANN (2012) "New models of Apprenticeship and equal employment opportunity. Do training networks enhance fair hiring practices?" Journal of Vocational Education & Training, 64(1): 57-74. Available from: <http://www.tandfonline.com/doi/abs/10.1080/13636820.2011.622445>
- JANSEN, A., STRUPLER LEISER, M., WENZELMANN, F. and S. WOLTER (2012) 'The effect of labor market regulations on training behaviour and quality: the German labor market reform as a natural experiment'. Leading House Working Paper, No. 82. The Swiss leading House on Economics of Education, Firm Behavior and Training Policies. http://www.isu.uzh.ch/leadinghouse/WorkingPapers/0083_lhwpaper.pdf
- JOSLIN, H. and S. SMITH (2013). 'Progression of Apprentices to Higher Education'. BIS Research Paper Number 107. London: Department for Business, Innovation. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/121889/BIS-13-664-progression-of-apprentices-to-higher-education.pdf
- LEFEBRVE, R. SIMONOVA, E. and L. WANG (2012) Issue in Focus: Labour shortages in skilled trades - The best guestimate? Ottawa: CGA-Canada. 33 pages. http://www.cga-canada.org/en-ca/ResearchReports/ca_rep_2012-07_labour-shortage.pdf
- LERMAN, R. (2012) 'Can the United States expand Apprenticeship? Lessons from experience,' IZA Policy Paper No. 46. Bonn: Institute for the Study of Labor (IZA)
- LEWIS, P. (2012). Flying high? A study of technician duties, skills, and training in the UK Aerospace industry. London: The Gatsby Charitable Foundation. <http://www.gatsby.org.uk/~media/Files/Education/Gatsby%20%20Flying%20High.ashx>
- LEWIS, P. (2012). Space for technicians? An analysis of technician duties, skills and training in the UK Space industry. London: The Gatsby Charitable Foundation. <http://www.gatsby.org.uk/~media/Files/Education/Gatsby%20%20Flying%20High.ashx>
- LORIMER, W. (2013). 'Relevance of Apprenticeship ratios in the plumber trade in Ontario'. Canadian Centre for Policy Studies. Ottawa: Canadian Centre for Policy Studies.

http://www.meigheninstitute.org/documents/Relevance_of_Apprenticeship_Ratios_in_the_Plumber_Trade_in_OntarioB.pdf

- MANN, A. and S. CAPLAN (2012) Closing the Gap: How employers can change the way young people see Apprenticeships, Talking Points, Education and Employers Research. PriceWaterhouseCoopers (PWC) Public Sector Research Centre.
<http://www.pwc.co.uk/government-public-sector/publications/closing-the-gap-how-employers-can-change-the-way-young-people-see-Apprenticeships.jhtml>
- MCCRONE, T., C. SOUTHCOTT, G. FEATHERSTONE, S. MACLEOD and A. DAWSON (2013) Research into training for young adults aged 19 to 24 who are not in employment, education or training (NEET). BIS Research Paper Number 95. London: Department for Business, Innovation and Skills.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70279/bis-13-609-research-into-training-for-young-adults-aged-19-to-24-who-are-not-in-education-employment-or-training-NEET.pdf
- MOORE, N. and T. HOOLEY (March 2012) "Talking about career: The language used by and with young people to discuss life, learning and work," ICeGS Occasional Paper. Derby: International Centre for Guidance Studies, University of Derby.
<http://derby.openrepository.com/derby/bitstream/10545/220535/8/Final%20Talking%20about%20career%20iCeGS%20Occasional%20Paper%2015062012%20NPM.pdf>
- MUELLER, B. and J. SCHWERI (2012) 'The returns to occupation-specific human capital - evidence from mobility after training,' Leading House Working Paper No. 81. Zurich: University of Zurich, Institute for Strategy and Business Economics (ISU).
http://www.isu.uzh.ch/leadinghouse/WorkingPapers/0081_lhwpaper.pdf
- NAS (30 May 2012) "Statement on Apprenticeship Quality 2012," Coventry: National Apprenticeship Service. 2 pages. Available from:
http://www.Apprenticeships.org.uk/Partners/Policy/~/_media/Documents/NAS-Apprenticeships-QualityStatement-29May-final.ashx
- NCVER (2013). 'Research Messages 2012'. Research Summary. Adelaide: National Centre for Vocational Education Research. <http://www.ncver.edu.au/publications/2594.html>
- NIACE (2012) 'Richard: a blueprint for the future of Apprenticeships?' Responses from various experts to the Richard Review of Apprenticeships. Adults Learning, 24(2): 34-41. Leicester: National Institute of Adult Continuing Education.
<https://www.niace.org.uk/sites/default/files/documents/adults-learning/AL-December-Vol23-V15-pg34-41.pdf>
- OECD (2012) Better Skills, Better Jobs, Better Lives: A strategic approach to skills policies, OECD Publishing. 109 pages. Available from:
http://skills.oecd.org/documents/Skills_strategy_final_PDF.pdf
- OFSTED (2012) Ensuring quality in Apprenticeships: a survey of subcontracted provision, Reference number 120153, London: Ofsted. <http://www.ofsted.gov.uk/resources/ensuring-quality-Apprenticeships>
- OFSTED (2012) Skills for Employment: The impact of skills programmes for adults on achieving sustained employment. London: Ofsted. Available from:
<http://www.ofsted.gov.uk/resources/skills-for-employment>
- OFSTED (April 2012) "Apprenticeships for young people: A good practice report," Report Reference no 110177. Manchester: Ofsted. 50 pages. Available from:
<http://www.ofsted.gov.uk/resources/Apprenticeships-for-young-people>

- ONS (2012) Measuring National Well-being - Education and skills. Published on 5 July 2012. London: Office for National Statistics. Available from: http://www.ons.gov.uk/ons/dcp171766_268091.pdf
- PARR, C. (2013). 'Many graduates "would have preferred Apprenticeships"' in Times Higher Education on 12 March 2013. <http://www.timeshighereducation.co.uk/news/many-graduates-would-have-preferred-Apprenticeships/2002517.article>
- PATEL, R. (May 2012) "Are we there yet?: Vocational Education at crossroads," Local Economy, 27(3): 227-231. Available from: <http://lec.sagepub.com/content/27/3/227>
- RICHARD, D. (2012). The Richard Review of Apprenticeships. An independent review commissioned by the Department for Business, Innovation and Skills and Department for Education. London: School for Startups. <http://www.schoolforstartups.co.uk/richard-review/richard-review-full.pdf>
- ROTH, T. (2012) 'Effects of Social Networks on Finding an Apprenticeship in the German Vocational Training System,' presented at 20th Annual Workshop of the European Research Network on Transitions in Youth, Transitions in Youth: A 20 Year Perspective. 5-12 September 2012. Nijmegen, The Netherlands. http://www.socsci.ru.nl/~maartenw/tiy2012/Social%20networks%20and%20Apprenticeship%20search%20%20TR_final.pdf
- SHURY, J., VIVIAN, D., GORE, K., and C. HUCKLE (2012) UK Commission's Employer Perspectives Survey 2012. UKCES Evidence Report 79. Wath-upon-Deane: UKCES. <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-79-ukces-employer-perspectives-survey-2012-full-report.pdf>
- SLOMAN, M. (2012) 'Training for skills in crisis - a critique and some recommendations.' Training Journal White Paper. <http://www.trainingjournal.com/whitepapers/>
- STEEDMAN, H. (2012) Overview of Apprenticeship systems and issues. ILO contribution to the G20 Task Force on Employment. http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/genericdocument/wcms_190188.pdf
- STEVENS, M. (20 June 2012). "Government considering level 6 and 7 Apprenticeships," People Management Magazine, Online. Available from: <http://www.peoplemanagement.co.uk/pm/articles/2012/06/government-considering-level-6-and-7-Apprenticeships.htm>
- SWIFT, J. and R. FISHER (2012) "Choosing vocational education: some views from young people in West Yorkshire," Research in Post-Compulsory Education, 17(2): 207-221. Available from: <http://www.tandfonline.com/doi/abs/10.1080/13596748.2012.673890>
- TAL, B. (2012) 'The haves and have nots of Canada's labour market,' In Focus, CIBC Economics. Toronto: CIBC World Markets Inc. http://research.cibcwm.com/economic_public/download/if_2012-1203.pdf
- The Richard Review of Apprenticeships: Call for Evidence. HM Government / BIS / DFE: London. <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/r/12-914-richard-review-Apprenticeships-call-for-evidence.pdf>
- The Richard Review of Apprenticeships: FAQs. BIS: London.
- THOMAS, E. J. COX and P. GALLAGHER (2012) "Progression to higher education: the voice of the apprentice," Research in Post-Compulsory Education, 17(1): 93-113. Available from: <http://www.tandfonline.com/doi/abs/10.1080/13596748.2012.649967>

- TNS-BMRB (May 2012) "Attitudes to Further Education Loans," BIS Research Paper Number 73. London: BIS. 40 pages. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/a/12-795-attitudes-to-further-education-loans.pdf>
- UKCES (2012) Employer practice in progressing low-paid staff. Policy Research Institute, Leeds Metropolitan University and International Centre for Guidance Studies, University of Derby. Wath-upon-Deerne: UKCES. August 2012. <http://www.ukces.org.uk/assets/ukces/docs/publications/employer-practice-in-progressing-low-paid-staff.pdf>
- UKCES (2012) Employer practice in progressing low-paid staff: Case studies. Policy Research Institute, Leeds Metropolitan University and International Centre for Guidance Studies, University of Derby. Wath-upon-Deerne: UKCES. August 2012. <http://www.ukces.org.uk/assets/ukces/docs/publications/epp-case-studies.pdf>
- UKCES (2012) The youth unemployment challenge. Wath upon Deerne: UK Commission for Employment and Skills. Available from: <http://www.ukces.org.uk/assets/ukces/docs/publications/the-youth-employment-challenge.pdf>
- UNIONLEARN (2012) Employer Ownership of Skills Pilot. Briefing Paper. London: unionlearn with Trades Union Congress. Available from: <http://www.unionlearn.org.uk/policy/learn-4620-f0.cfm>
- UNWIN, L. (2012) 'Report of the Commission of Inquiry into the role of Group Training ASSOCIATIONS'. LONDON: CENTRE FOR LEARNING AND LIFE CHANCES IN KNOWLEDGE ECONOMIES AND Societies (LLAKES) and Institute of Education, University of London. <http://www.llakes.org/wp-content/uploads/2012/09/GTA-FINAL.pdf>
- VARGHESE, M., PARKER, L., ADEDOKUN, O. SHIVELY, M., BURGESS, W., CHILDRESS, A. and A. BESSENBACHER (2012) 'Experiential internships: understanding the process of student learning in small business internships', *Industry and Higher Education*, 26(5): 357-367. Abstract only: <http://www.ingentaconnect.com/content/ip/ihe/2012/00000026/00000005/art00003?crawler=true>
- VIVIAN, D., M. WINTERBOTHAM, L. GODWIN, S. MORRIS, T. HOGARTH and L. GAMBIN (2012) Evaluation of Apprenticeships: Learners, BIS Research Paper Number 76. London: BIS/NAS. May 2012. 168 pages. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/12-812-evaluation-of-Apprenticeships-learners.pdf>
- WARWICK, K. (2012) "Our changing economy and the role of Apprenticeships." Richard Review of Apprenticeships Call for Evidence Background. London: HM Government/BIS/DFE. June 2012. 30 pages. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/r/12-916-richard-review-background-role-of-Apprenticeships.pdf>
- WILSON, T. (2013) Youth Unemployment: Review of training for young people with low qualifications. BIS Research Paper Number 101. London: Department for Business, Innovation and Skills. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70226/bis-13-608-youth-unemployment-review-of-training-for-young-people-with-low-qualifications.pdf
- WINTERBOTHAM, M., D. VIVIAN, C. HUCKLE, A. SKONE JAMES, T. HOGARTH, L. GAMBIN and C. HASLUCK (2012) Evaluation of Apprenticeships: Employers, BIS Research Paper Number 77. London: BIS/NAS. May 2012. 107 pages. Available from: <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/12-813-evaluation-of-Apprenticeships-employers.pdf>
- WOLTER, S. (2012) 'Apprenticeship training can be profitable for firms and apprentices alike'. EENEE Policy Brief 3/2012, Munich: European expert Network on economics of Education.

http://www.eenee.de/portal/page/portal/EENEEContent/_IMPORT_TELECENTRUM/DOCS/PolicyBrief3-2012.pdf

- WORDSWORTH, E. (2012). 'Skills success: how apprentices and trainees boost business.' Sustainable Skills: The Future of the Waste Management Industry, pp. 45-48. London: Associate Parliamentary Sustainable Resource Group. <http://www.policyconnect.org.uk/sites/default/files/Policy%20Connect%20APSRG%20pages%202%20-%2051.pdf>
- WRIGHT, S. (2012). 'Tooling up: kitting out a new generation of skilled workers in sustainable resource management and why it is important.' Sustainable Skills: The Future of the Waste Management Industry, pp. 13-15. London: Associate Parliamentary Sustainable Resource Group. <http://www.policyconnect.org.uk/sites/default/files/Policy%20Connect%20APSRG%20pages%202%20-%2051.pdf>
- YU, S., BRETHERTON, T. and H. SCHUTZ (2012). Vocational trajectories within the Australian labour market. National Vocational Education and Training Research Program Research Report. Adelaide: NCVET. <http://www.ncver.edu.au/publications/2557.html>