# ENABLING BETTER OUTCOMES: A WIDER VIEW OF APPRENTICESHIP SUCCESS

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In partnership with



## Executive summary

Apprenticeships are a key part of government skills policy in England. Following reforms to improve employer engagement and quality, the government has an ambition for at least two thirds of apprentices to achieve<sup>1</sup> their programme by 2025. However, the achievement rate for apprenticeship standards in 2021/22 was just 51 per cent and this measure of achievement rates does not capture the full range of apprenticeship outcomes.

The St Martin's Group commissioned Learning and Work Institute (L&W) to establish a better understanding of what apprenticeship success looks like for employers.

The research aimed to find out:

- Whether employers value completions and whether this impacts completion rates
- What employers do to support completions and what barriers employers experience or perceive in relation to providing support
- What support or incentives employers might need to support completion
- Whether employers measure their success or return on investment in different ways to completion rates, and whether these should be considered for policy to incentivise and encourage support for apprentices.

## Quantitative survey of over 800 apprentices employers

Qualitative interviews with 15 apprentice employers 10 providers 8 apprentices 4 government stakeholders



'Achievement' is the term used by the government and refers to passing the EPA and all other qualifications required to meet the apprenticeship standard. Throughout this report, we use the terms 'achievement' and 'completion' interchangeably to mean this.

### Key findings

#### Importance of apprenticeship completion

The survey found that **almost all employers view apprenticeship completion as important**. This is despite employers reporting variable programme completion rates for their apprentices. That said, **employers who report higher completion rates are more likely to say that completion is important**. Employers who tend to place new, rather than existing, staff on apprenticeships and employers with apprentices on Level 2, 3 and 6-7 programmes are also more likely to value completion, and to experience higher completion rates.

Employers value completion because they think apprentices gain better technical and 'soft' skills; gain more industry knowledge and experience; and show increased productivity. This is particularly true of employers experiencing high completion rates and who place more value on completing, indicating that **completion is valued not just as an end in itself, but also as a means to achieving wider business benefits**. Most commonly, employers value the completion of assessments because it is important for apprentices to have formal recognition of their knowledge and skills. Many employers also require apprentices to complete training and assessments to either perform their job roles or progress into higher level roles.

Although interviewees generally viewed completion as important, there were some exceptions. This included views of some line managers that, if an apprentice had proved themselves to have the competencies required to perform well in their job role, completing training and assessments is less important. Completing the end-point assessment (EPA) was also sometimes perceived as less valuable on programmes which included another technical or academic qualification, such as degree apprenticeships. However, stakeholders pointed to the wider benefits of completion for the individual and the economy beyond immediate employer skills needs – for example, gaining formal recognition of competency required for career progression.

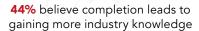
#### Support offered to apprentices

Almost all employers surveyed (99 per cent) offer direct support to apprentices, although the nature of this support varies. Less than half (47 per cent) say they offer support with time for off the job training and study, and fewer than two in five (37 per cent) offer pastoral support. Employers who report high completion rates are more likely to provide both types of support. However, the ability to arrange time off for training and study was identified by employers as one of the biggest barriers to supporting apprentices to complete, especially for those placing existing staff on apprenticeships and with low completion rates.

Interviews highlighted supporting off the job training time, line manager buyin, capacity for support among small employers, and funding and staffing challenges among providers as barriers to providing support. Line manager support was also viewed as essential to completion.

Both survey respondents and interviewees view supporting apprentices as a joint responsibility between employers and providers, with their relationship seen by all participant groups as crucial to supporting apprentices to succeed. The top reasons employers value apprentice completions:







**41%** believe completion leads to an increase in productivity



Less than one half (47%) offer support with time for off the job training and study

Fewer than two in five (37%) offer pastoral support





Employers view supporting apprentices as a joint responsibility between them and providers

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#### Supporting and incentivising employers

Employers surveyed identified a range of support that they thought would allow them to help apprentices to complete their programme. **Most commonly, this included financial support:** financial incentives (e.g., a completion bonus); financial support to help cover off the job training time; and financial support to help apprentices with direct costs e.g., childcare or transport. Other forms of support identified as useful include additional guidance and materials, such as best-practice guidance on training and managing apprentices, materials to support apprentices, and standardised industry-specific training materials and resources (28 per cent).



Interviewees also identified the need for additional guidance for employers. While there were conflicting views about who should provide this and how, there was a general sense that support and guidance needs to be easier for employers to navigate. Interviewees also suggested incentivising employers to value completion by demonstrating the value of this and positive incentives such as league tables.

The survey found that **employers are already engaging with a range of existing support channels and find these useful**, but that small employers and those who place existing staff on apprenticeships are less likely to find support from training providers and the government helpful. This suggests there may be a need for additional tailored support and guidance for these groups.

#### Wider success indicators

In both the survey and interviews, **employers identified a range of wider apprenticeship success indicators beyond completion**. In the survey, **the most commonly identified success factors pertained to apprentices progressing within the employers' organisation** – including moving into a permanent job within their organisation and the apprentice being promoted within the organisation. Employers were less likely to view apprentices staying in the same role as a success indicator. **Employers also identified a range of business benefits** as wider success indicators of apprenticeships. These include the apprentice gaining knowledge and skills relevant to their business needs, improved staff retention, and reduced skills gaps. Interviewees identified similar success indicators. Training providers identified apprentices gaining skills and knowledge and progressing in their careers as indicators of success. Apprentices associated success with gaining skills relevant to their job role or to equip them for new positions elsewhere.

There was recognition among policy stakeholders that completion rates offer a simple and standardised way of measuring success. However, other interviewees suggested that this could be supplemented with additional measures such as industry retention, wage progression, progression into further learning, and development of wider skills.



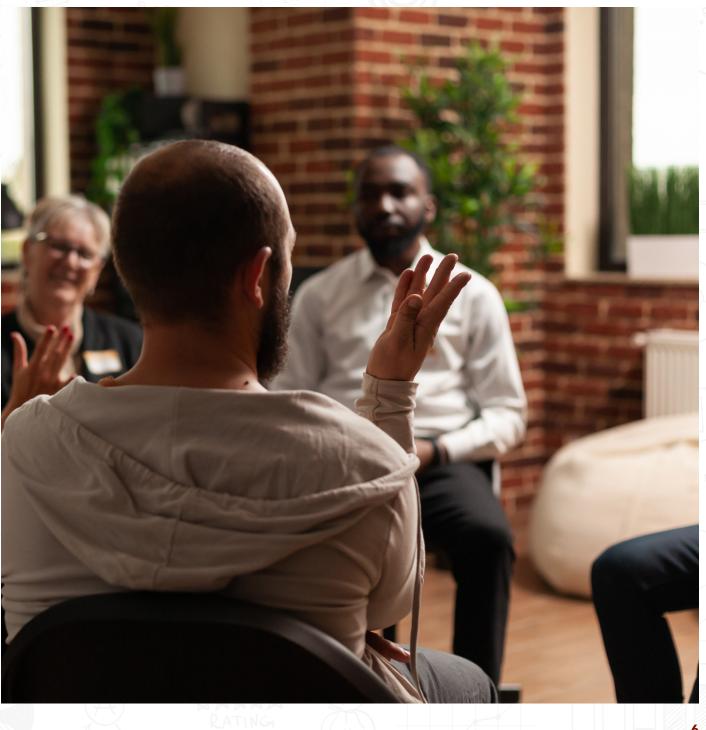
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#### Recommendations

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- 1. Off the job training is one of the biggest barriers cited by apprentices and employers. DfE should convene a stakeholder group, either standalone or within existing engagement structures, to look at how employers can ensure sufficient off the job training time for apprenticeships is provided. This should explore a range of options, including additional information and guidance for employers and the potential for financial support or incentives. As part of this, DfE should specifically consider how SMEs can be supported to ensure they provide sufficient off the job training time, noting these employers are more likely to identify cost as a barrier to providing it. Alongside this, DfE, mayoral combined authorities, and sector and provider bodies should work together to commission the development of sector-based case studies to share best practice in providing off the job training time across a range of employer types, job roles and contexts, and the facilitation of direct employer-to-employer guidance.
- 2. Pastoral support is important for apprenticeship completion but fewer than two fifths of employers provide it. Employers should consider what steps they could take to provide more pastoral support to apprentices, especially younger apprentices and those with additional learning needs. This could include a focus on organisational culture to ensure that senior and line managers place the same importance on apprenticeship completion. Employers should also arrange specific support and training for line managers so they are aware of how to provide pastoral support and what it involves. DfE should place further emphasis on pastoral support in apprenticeship communications and guidance to make sure employers understand their responsibilities and how to facilitate pastoral support.
- 3. Where employers perceive a responsibility to provide support, they are more likely to do so. DfE should ensure the availability of clear guidance setting out the responsibilities of employers and line managers to apprentices. This should be disseminated to employers through a variety of trusted routes; for example, through engagement with employer intermediary bodies and incentivising training providers to promote to employers. DfE should also encourage sector bodies to generate supplementary sector-specific guidance and ensure there is targeted guidance for line managers. In addition, DfE should consider how to enable more employers to find and access its existing step by step apprenticeship guidance hub.<sup>2</sup>
  - Encouraging employers to place more value on completion could help to increase completion rates. To incentivise employers to support completion, DfE should clearly demonstrate its benefits in the context of how employers view a successful apprenticeship. This should include a greater focus on benefits and outcomes data available in the Apprenticeship evaluation employer survey<sup>3</sup> and Further education outcomes<sup>4</sup> publications, such as the development of relevant skills, staff retention and sustained employment. DfE should ensure that benefits and outcomes data is regularly updated and provided in an accessible format, such as a data dashboard. This data should be regularly reviewed, to assess the coverage of the key success indicators highlighted in this research. Consideration should also be given to including further questions on benefits and outcomes in the next Apprenticeship evaluation employer survey, including the impact of apprenticeships on addressing skills shortages and longer-term retention and progression of apprentices.
- 5. Financial support should be made available for those who need help with direct costs. DfE should consider widening the eligibility for FE Learner Support funding to include young apprentices and those on programmes at or below level 3, or creating a separate discretionary access fund that providers can draw down on a case by case basis. As there is currently poor awareness of the existing Learner Support fund<sup>5</sup>, any additional financial support for apprentices should be proactively communicated to all parties; for example, by including information in marketing material for apprenticeships. In addition, large employers (in particular) should consider what additional financial support for direct costs (e.g. transport) that they're able to offer apprentices and other trainees as part of their investment in their future workforce.
- <sup>2</sup> HM Government (2023) Employ an apprentice for your business: step by step
- <sup>3</sup> Department for Education (2022) <u>Apprenticeship evaluation 2021: employer survey</u>
- <sup>4</sup> Explore Education Statistics (2023) *Further education outcomes*
- <sup>5</sup> Learning and Work Institute (2023) <u>Cost barriers to learning at Level 3</u>

- 6. The employer/provider relationship is crucial in supporting apprentices to complete. Employers and providers should be encouraged to consider a greater use of three-party meetings throughout apprenticeships, given the difference they make to the overall apprentice experience. DfE and employer membership bodies should disseminate good practice case studies of employer/provider relationships to demonstrate the features of a successful relationship and provide guidance on how to facilitate it. DfE could support employers by simplifying the Apprenticeship Agreement template and extending it to training providers to secure commitments on responsibilities and ways of working, and promote a shared understanding between employers, providers and apprentices.
- 7. Action to integrate mandatory qualifications and end-point assessments should be accelerated. For apprenticeships with a statutory regulator, IfATE is currently intending to integrate end-point assessments with the regulator's assessment arrangements. This is welcome, but action should be accelerated for all relevant programmes that include a wider qualification, with integration of the EPA into the qualification process. For example, this could include a requirement for the EPA to be conducted prior to awarding of professional or industry qualification.



## Employers with high completion rates

Compared to the sample average, employers who report that over 75 per cent of apprentices complete their programmes are more likely<sup>6</sup> to:

- Have employed apprentices as new staff, rather than placing existing staff on apprenticeships<sup>7</sup>. Almost half (47 per cent) say hired all or most apprentices as new employees, compared to just 17 per cent who say all or most of their apprentices are existing staff.
- Think it is important for apprentices to complete all of their training (98 per cent important, 87 per cent very important) and assessments (99 per cent important, 79 per cent very important). Employers in this group are more likely to value training completion not just in itself, but as a means to achieving a range of other business benefits, including increased industry knowledge, technical skills and higher productivity.
- **Provide support with time for off the job training and study** (62 per cent compared to 47 per cent) and pastoral support (46 per cent compared to 37 per cent).
- Say that materials to support apprentices would help them for example, resources on study skills, time management, and wellbeing (37 per cent compared to 29 per cent sample average).
- Identify a range of success indicators related to employment and industry retention, including the apprentice moving into a permanent job in their organisation (47 per cent); the apprentice being promoted in their organisation (44 per cent); the apprentice gaining knowledge and skills relevant to their business needs (44 per cent); the apprentice filling a critical vacancy in their organisation (35 per cent); and the apprentice staying in the same industry, even if they move onto another organisation (32 per cent).

These findings suggest that employers with higher completion rates are more likely to recognise the wider value of apprenticeships to their business and place greater emphasis on supporting apprentices to complete.



<sup>&</sup>lt;sup>6</sup> This box focus on areas where employers with high completion rates have significantly different findings to the sample average. However, they are not necessarily the most common responses for these employers overall.

<sup>7</sup> This finding should be interpreted with caution since it is based on self-report data from employers rather than verified completion rates. Our previous report on apprenticeship outcomes and destinations did not find a statistically significant difference in self-reported completion rates between apprentices who were already employed with their apprentice employer and those who were not.

# SME employers

- When compared to the sample average, small employers report more variable completion rates. While they are more likely than the sample average to report completion rates of above 75 per cent (37 per cent), they are also more likely to say that less than 25 per cent of their apprentices complete (9 per cent), and less likely to report completion rates of 51-75 per cent (21 per cent).
- When compared to the sample average, small employers are less likely to offer most forms of support, excluding support with time for off the job training and study (which they are more likely to offer), and pastoral and practical support (where there are no significant differences according to business size). Qualitative interviews identify capacity for providing support as a challenge for small employers.
- When compared to the sample average, small employers are more likely to say that financial support to help cover off the job training time would help them to support apprentices (44 per cent, compared to 29 per cent medium-sized and 35 per cent large employers). Small employers are less likely than medium and large employers to find information provided by the government and training providers helpful, indicating a need for tailored information, support and resources for these employers. Medium-sized employers are more likely than small employers to find apprenticeship training providers (86 per cent compared to 78 per cent), the gov.uk website (81 per cent compared to 73 per cent), the IfATE website (78 per cent compared to 68 per cent), local government (75 per cent compared to 66 per cent), and trade unions (71 per cent compared to 56 per cent) helpful.
- Small employers are more likely to say that apprentices gaining knowledge and skills relevant to business needs is an indicator of success than medium-sized employers (40 per cent compared to 30 per cent).

As demonstrated in the findings above, the views and experiences of small and medium sized employers differ in some key areas. This is important to note when considering recommendations for policy and practice, since SMEs are often viewed collectively.

Access the full report at stmartinsgroup.org

