Discussion paper
Degree apprenticeships – the employer perspective

Contributors:
Strategy
As we discovered when researching degree apprenticeship strategies with providers, employers are also taking different approaches to their early talent strategy and the part that degree apprenticeships play within them. It is true that some employers have decided that, despite the financial implications of the Levy focusing the minds of senior management, apprenticeships do not fit with their talent needs, and others are adopting a ‘wait and see’ approach. But many are building on an existing model of apprenticeships or sponsored degrees, or are exploring how they might fit with their current graduate programme.

For a number of reasons, there is a growing consensus that having two pathways – apprenticeship and graduate – makes sense. Different learning styles may suit different approaches, for both internal staff and new starters. A blended approach to talent also recognises the different attributes that each group brings to the organisation, and the diversity question is explored further below.

The other key policy focus for the government is for apprenticeships to reduce skills gaps and increase productivity. Discussions with employers shows that while some are taking a ‘spend the Levy at any price’ approach, most are taking the time to work through current and future skills gaps and determining where apprenticeships may fit. Graduate entry is still seen as a proven success and companies should seek a balanced approach.

Linked to this is the fact that for a number of employers, existing degrees are not always meeting their requirements, particularly in areas such as computer science or technology, so employers are using degree apprenticeships as an opportunity to shape the content in a more relevant way.

Providers
The principle that an apprenticeship combines learning and work means that the subject matter and the technology being taught by the provider is current and will actually be used in the work place. This is mutually beneficial, as some employers voice the concern that HEIs are being slow to adapt to new technology and thinking. For a university, offering a degree apprenticeship will consequently speed up the adoption rates of new technology and thinking into BAs/BScs and increase the institution’s understanding of what employers need. Anecdotally, the more vocational universities and business schools are quicker to make the most of this process.

Overall, the feedback is that providers need to become more responsive and adaptive. In particular, there is a call for more recognition of prior learning by providers. Some are supporting this, but in some cases it has taken many years to get to the point of accreditation, which is harming growth in starts for existing staff.

Diversity
From previous research we know that employers view apprenticeships as part of the solution to increase diversity and support social mobility, where graduate programmes have not been successful. Although a growing number are removing academic requirements for programmes, diversity isn’t increasing as quickly as they had hoped. Applications coming in for apprenticeship programmes are often from students who have had easy access to information, guidance and support, and these are not always from the most disadvantaged backgrounds.

One solution offered may be to run a parallel assessment and selection method that will reach a broader group. This would require a greater investment, and although providers could support the outreach that might not be enough to prevent derailing the business case for apprenticeships where diversity is the key driver.

There are many benefits of adopting a broader admissions approach and opening up the business to those that would not otherwise have considered it through degree apprenticeships, in line with other diversity initiatives. Where an employer is recruiting from school and taking the apprentice through a full programme, it also allows them to embed the values and ethos of the company at a younger age than for a graduate, which some employers feel is beneficial.
Retention
It is felt that there is a correlation between higher non-completion rates of apprenticeship programmes with apprentices from more disadvantaged backgrounds, and there is also a wider question of whether degree apprenticeships have a higher drop-out rate than graduate programmes.

There are different retention challenges for apprentices coming in straight from school and internal staff joining a programme. More than one employer had experienced drop outs from internal staff between expression of interest and the point of commitment. One of the keys to retention then, especially with internal staff, seems to be understanding how to contract with them. Being more up front about what the programme entails and the time commitment needed helps increase retention as well as ensuring the application process is robust.

A number of new roles are being developed within HR teams to offer pastoral support, induction, coaching and mentoring, e.g. ‘apprentice support officer’/‘early professionals manager’ This is largely to support retention and the transition from school to work. Work readiness for many employers is an issue – in some roles apprentices will be working on major projects within three weeks, and apprentices have a different level of maturity and exposure to work than graduates. In some employers, where colleagues are unused to dealing with apprentices, expectations can be too high.

For those employers who have a legacy of apprenticeship recruitment there is already an understanding that there needs to be an ‘adjustment period’. In their experience, the recruitment process needs to limit the risk and also ensure the cultural fit is right. One employer reported an 85% retention rate over an eight year period of offering apprenticeships.

Graduates’ expectations are higher in terms of the level of autonomy and seniority they expect to have – this is being challenged by apprentices, who in some cases are managing the graduates. There are also examples of scenarios where graduates are slower to competence because apprentices are applying the learning straight away. This creates both a productivity and a retention boost.

For school leavers coming onto a degree apprenticeship programme, there is an expectation by some employers that the retention rates will be higher than those on graduate programmes. This can be partly attributed to the ideal that you ‘win hearts and minds’ on an apprenticeship journey, and that there can be clearer and deeper understanding of future career paths. This isn’t true across the board though, and time (and data) will tell whether there are differences based on background, sectors, occupations or apprenticeship level.

Measurement
How to measure the success, or return on investment, of degree apprenticeships is high on the agenda, both for those who are a number of cohorts into a programme and for those building the business case to develop one.

While there is no industry standard or best practice agreed yet, there are a number of measures being adopted. Time to promotion for apprentices is one – for some employers the process is the same as for graduates and the promotion case has multiple measures. Looking at cost to hire and cost of development of apprentices versus graduates, and mapping them across to progression and retention as part of a longitudinal study is a more sophisticated approach.
Some employers are also recording the productivity and engagement levels of their apprentices, where ‘engagement’ includes wider activities such as outreach work to promote the apprenticeship programme. Other more qualitative approaches include having a matrix approach to identify and track who has oversight of the apprentices, and recording progress. This can include mentors, line managers, project managers and members of the support team.

There is a role for professional bodies and providers to help track the longer term success of programmes – for an apprenticeship like the CDMA, which crosses over multiple sectors, a single view of success can only come from CMI. This would be looking beyond completion of the programme and the EPA, to the career progression and the parity or otherwise with graduates. If there are concerns about those who have come through an apprenticeship route not having the same access to promotions as graduates, there is also a feeling that as apprenticeship cohorts reach middle manager positions and are responsible for hiring, their decisions might well be influenced by their own experience. More integration of programmes will help stop any division - some employers are already building early talent communities that include all routes into the organisation.

**Concerns**
The biggest concern for employers is the delay in standards being approved so that their programmes can begin or so that existing programmes can be moved across to a degree apprenticeship. In a number of cases there is a significant financial investment happening by employers in order to begin programmes, which would otherwise have been funded by the Levy.

There are commercial concerns for both employers and providers. Employers are experimenting to get the right blend of graduates and degree apprentices across different business lines, and it takes time to be confident that the mix is delivering the right talent at the right time. Employers also have an appreciation of the need for degree apprenticeships to be financially viable for providers, but at the same time there can be a ceiling on numbers that impedes growth. Providers are getting to grips with a new business model, and not all providers have decided if they want to take it on board.

This lack of market maturity concerns all sides. Employers and providers are often working at different speeds, and government needs to help make the market work. For many employers though, the perceived benefits of degree apprentices outweigh the risks involved, and the market should continue to grow – just perhaps not at the pace that government would like.

**Key questions**
The following are key questions that could help generate a discussion at an event, or for exploration within organisations:

- What factors might affect the balance between degree apprenticeship and graduate recruitment within an organisation in the short, medium and long-term?
- How flexible does an employer and provider partnership need to be to support the agreed strategy?
- What evidence do providers and employers need to be able to articulate the benefits of developing and growing a degree apprenticeship programme?
- Is increasing diversity a genuine driver for offering a degree apprenticeship programme, and if so what needs to be in place to ensure success?
- How should degree apprentices be supported before, during and on completion of their programme, and beyond?
- Should there be a consensus on what measures are tracked to monitor success of degree apprenticeships programmes in the short, medium and long-term? How would this get developed?

**Join the discussion**
To join the discussion on the developing market for degree apprenticeships, you can:

- Get in touch with your key challenges and successes – the greater the understanding of how progress is being made, the more support can be developed to help achieve future success;
- Attend HEFCE or ISE* events to join with peers and discuss topical aspects of degree apprenticeship delivery
- Request connections to be made with peers or HEFCE/ISE staff to help address concerns or questions

*Some events may be member only