

# THE INTERSERVE SOCIETY REPORT

Apprenticeships: the path to success?



## Foreword from Nadhim Zahawi MP

The Government's target of raising the quality and status of apprenticeships while delivering three million starts by 2020 is an unmissable opportunity to change lives, boost skills and increase productivity in the UK economy.

Ever since I was appointed as the Prime Minister's Apprenticeships Adviser, I have seen and heard countless examples of the fantastic opportunities apprenticeships open up, while I have also witnessed some of the many challenges we face in embedding apprenticeships as a genuine alternative to academic pathways.

This research is an important addition to our understanding of attitudes and perceptions towards apprenticeships, helping to show where we need to focus more effort and attention in the months and years ahead. The data on Higher and Degree Level apprenticeships is particularly interesting; it is clear we must do more to promote them to people of all ages, and help them understand the real benefits these qualifications provide.

Apprenticeships can provide a route into every niche of our economy; from accountancy to engineering, from software development to becoming a chef. They can provide a pathway into this sometimes bewildering array of careers and the training needed to progress, while ensuring that businesses can produce the next generation of highly skilled employees they need to succeed. Making sure the wide variety of apprenticeship routes and opportunities are understood, valued and promoted is therefore a vitally important part of our plans.

This Government wants to build a society and an economy where everyone has a chance to show what they can do, to see what happens when they combine their talent with hard work, to help people create a better life for themselves and their families. This vision is at the heart of so much of what the Government does, it's what we are always aiming for, and I firmly believe that apprenticeships can be the key to its success.

Nadhim Zahawi MP  
Member of Parliament  
for Stratford-on-Avon,  
Prime Minister's  
Apprenticeships Adviser



## Introduction from Adrian Ringrose

In 2015 we published our first 'Interserve Society Report'<sup>1</sup>, which examined the public's attitude towards big business. The survey made for uncomfortable reading, highlighting a growing divide between large employers and the communities they serve. It did, however, also reveal some of the foundations on which business could rebuild trust with the public. Providing jobs and, crucially, apprenticeships was seen as critically important.

This report takes a detailed look at attitudes towards apprenticeships, emphasising some of the main opportunities and challenges. It also provides a timely snapshot of attitudes and perceptions amongst young people, parents and employers at a point when the new Apprenticeship Levy has firmly pushed the issue up the business agenda.

This is not a new issue for Interserve. Like many other businesses, we have long recognised the importance and value of apprenticeships. We have inspiring examples of apprentices who started out with us on the shop floor and are now managers and leaders, and we have hundreds of apprentices making a real difference to our business day-in, day-out, while gaining vital skills and experiences for their future careers. It is something we have long been passionate about.

However, this research shows there is much more to do. Positive attitudes towards apprenticeships still rank lower than other, largely academic-based career pathways among young people and their parents. There is, however, a significant shift when both are given a bit more information about the different standards now available -

1. *Changing attitudes: how big business and society can work together.* 78% of those surveyed said that providing jobs or apprenticeships was the most important way that business could contribute to the local community but only one in six people believed that sufficient opportunities were being provided.

such as Higher and Degree Level Apprenticeships - showing just how important awareness and understanding are. There are many other interesting insights - regional variations, subtle differences between large employers and Small and Medium-sized Enterprises (SMEs) - which businesses and policy makers need to take on board.

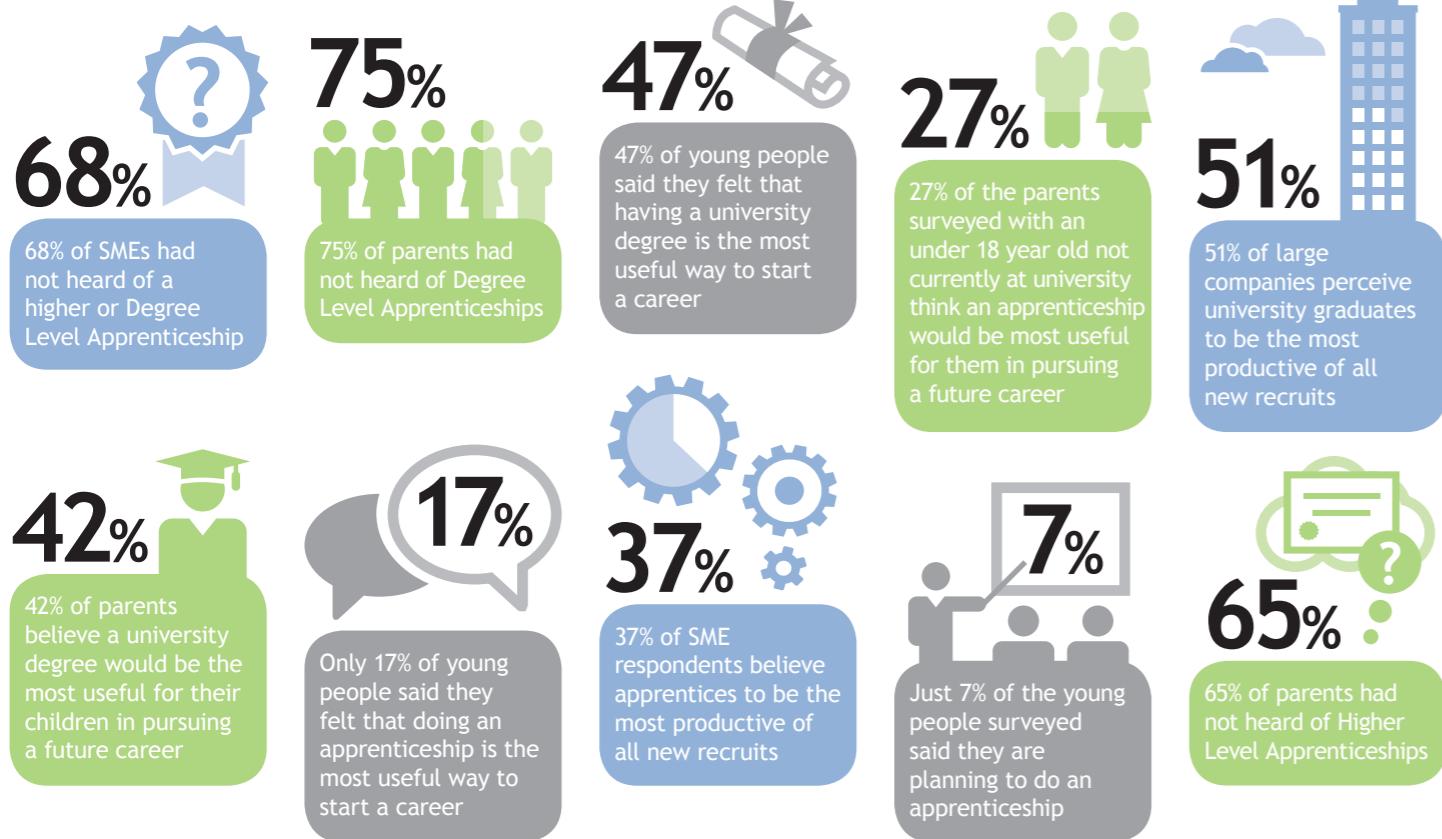
We plan to more than double our current intake levels onto apprenticeships in the years ahead, so a sound understanding of how current attitudes and perceptions may impact this approach is vital. We also aim to develop new higher and degree apprenticeship pathways to run in parallel with our graduate recruitment programmes, so context around these pathways is important. We also want to build on the 3,500 work experience placements for school students we've created in the last two years, to do more to ensure young people understand the opportunities open to them. For Interserve, this report offers considerable insights into how best to ensure that apprenticeships get the support they deserve.

This research shows some of the challenges we - and by extension many other businesses - face. It is clear that apprenticeships suffer from an image problem and don't currently have the same prestige associated with them as university education. We need to change this perception if we are to see apprenticeships become a driving force for skills and sustainable careers in the future.

Adrian Ringrose  
Chief Executive, Interserve



## Apprenticeships: the path to success? - overview



## Parameters of the research



The introduction of the Apprenticeship Levy in April 2017 will change the way apprenticeships are funded in England, with all employers with a wage bill over £3 million having to make an investment in apprenticeships. With less than a year before these changes come into operation, Interserve has commissioned new research to assess how well apprenticeships are currently understood and what challenges there might be to their wider adoption. This now forms the basis of the second Interserve Society Report, *Apprenticeships: The Path to Success?*

The research was carried out online by YouGov, surveying three key audiences: employers, parents and young people, in April 2016. The employers' survey had a total sample size of 511 adults; the figures have been weighted and are representative of all senior decision makers in businesses in Great Britain. For the parents' survey the total sample size was 4,307 adults, of whom 992 were parents with children aged 18 and under; the figures have been weighted and are representative of all adults in Great Britain (aged 18+). For the young persons' survey the total sample size was 509 13-18 year olds; the figures have been weighted and are representative of all 13-18 year olds in Great Britain.

## Young people

### UNIVERSITY STILL SEEN AS THE BEST WAY TO START A CAREER

**47%**

47% of young people said they felt that having a university degree is the most useful way to start a career

**17%**

Only 17% of young people said they felt that doing an apprenticeship is the most useful way to start a career

### APPRENTICESHIPS ARE NOT SEEN AS FIRST CHOICE

**7%**

Just 7% of the young people surveyed said they are planning to do an apprenticeship

With university tuition fees and maintenance fees averaging £40,000 for a three year course in England according to UK government statistics, there has been a great deal of debate over the value of university degrees, and the merits of other alternatives open to young people making their decision on what to do after leaving formal education.

At the moment, however, the allure of university life - despite the associated costs - trumps the prospect of doing an apprenticeship for the majority of the 13-18 year olds surveyed. A large majority (72%) said they were planning on going to college or university, compared to just 7% who said they plan to do an apprenticeship.

This emphasises the scale of the challenge in promoting apprenticeships, with respondents particularly fearful of missing out on university life and the prospect of not finding apprenticeships in their desired career field, or an apprenticeship that would lead to a job.

### BIG CHALLENGE IN THE CAPITAL TO RAISE THE PROFILE OF APPRENTICESHIPS

**2%**

Only 2% of the young people in London who responded to the survey consider apprenticeships as their likeliest career step

Our research shows, however, that many young people do not know enough about the range of apprenticeship pathways now open to them. For example, the most common reason young people do not consider degree apprenticeships as a potential alternative is that they don't know enough about them. This is reflected across the survey, with more than half (55%) of young people stating that they did not know what Higher Level or Degree Apprenticeships were, while 82% did not know the difference between the two schemes. Given these pathways are relatively new, this may not be entirely unexpected but there is clearly a lot of work to do to improve visibility with this cohort.

Financial implications also impact decision-making about what young people want to do after school. When it was explained to young people what a degree apprenticeship was, 70% of participants said that earning a salary whilst learning would be the most important reason they would take this route. This was followed by getting direct job-related skills that increase employability (55%), showing that with more information the variety of routes becomes more attractive.

With many large professional services organisations, financial services institutions, law firms and energy companies having recently launched higher level apprenticeship schemes, this appetite to earn and learn is a solid foundation to build on in the future.

However, while young people do appreciate the financial value of going straight into an apprenticeship after school, it will not be sufficient to solely focus on this. Young people clearly value the life experience provided to them by going to university, so to encourage more take-up of apprenticeships it will be necessary to highlight the life skills, and personal development opportunities that an apprenticeship provides.

## Parents

### UNIVERSITY PREFERRED, BUT SOLID FOUNDATION FOR APPRENTICESHIPS

**42%**

42% of parents believe a university degree would be the most useful for their children in pursuing a future career

**27%**

27% of the parents surveyed with an under 18 year old not currently at university think an apprenticeship would be most useful for them in pursuing a future career

The attitude of parents towards apprenticeships is vitally important. Not only do parents provide guidance and support to young people in their care, they also help shape the wider narrative around apprenticeships across society.

Our research shows that the majority of parents with school age children value a university education over an apprenticeship or other routes into employment. There are, however, significant regional variations in attitudes that are worthy of attention.

Parents in London see apprenticeships as the least useful way for their children to pursue a future career, with just 14% - the lowest of all the regions surveyed - believing this would be the best route for their child to take. This contrasts sharply with London-based parents' view of university degrees, with almost two thirds (62%) of parents in the capital viewing a university degree as the best route into a successful career for their children.

### LOW VISIBILITY OF ADVANCED APPRENTICESHIPS

**75%**

75% of parents had not heard of Degree Level Apprenticeships

**60%**

60% of parents said knowing what degree apprenticeships were would affect their opinion on whether they are right for their child

The view is very different in the North East of England, where under a quarter (23%) of parents favour a university degree and a majority (53%) believe an apprenticeship would be the best route for their child to take. On a national level, 41% of parents in Wales and 32% of parents in Scotland view apprenticeships as the most favourable future career option for their children, compared to just 26% of parents in England.

A more consistent theme was a low level of awareness of Higher Level and Degree Apprenticeships among parents. The vast majority of the parents surveyed (70%) were unaware of either, and just one in nine parents knew the difference between the two types of advanced apprenticeships. The research suggests that better visibility of these new standards would help shift perceptions. When parents were told what degree and higher level apprenticeships were, 60% said this knowledge would affect their opinion on whether they are the right choice for their child.

There is clearly strong favourability towards university, but the potential to improve the standing of apprenticeships with better awareness and visibility of the range, quality, scope and value they provide is there. Indeed, more needs to be done to show that apprenticeships offer routes into all professions and can deliver the high level, career orientated qualifications that resonate with parents.

## Employers

### SMEs MORE CONVINCED BY APPRENTICES THAN LARGER FIRMS



It is clear from the research that employers across the board value apprentices. But there are some interesting disparities in current attitudes that highlight the challenges and opportunities facing apprentices in the world of work.

When asked which recruits tended to be the most productive, Small and Medium Enterprises (SMEs) tended to rate apprentices most highly, with over a third (37%) of SME respondents saying that they are the most productive of all their new recruits, compared to large companies who said that graduates were the most productive recruits in their business (51%).

The research shows that although SMEs value apprentices particularly highly, these employers have lower visibility of all the pathways available, with just under a third (32%) of SME respondents having heard of Higher Level or Degree Apprenticeships. On the contrary, 46% of those from large businesses were aware of the different types available. This situation may be expected, with smaller businesses able to see the immediate benefits of quality apprentices who learn on the job, but large businesses are in a better position to offer apprenticeships, and have a greater understanding of the different types available. Again, as shown throughout this survey, better visibility is required.

### LONDON-BASED FIRMS SHUN WORK-BASED LEARNING



Just 7% of London-based businesses value qualifications from work-based learning, such as apprenticeships, when looking for new recruits

The view on apprentices also diverges on a regional basis - only 17% of London-based employers see apprentices as their ideal recruit - significantly less than the other regions, especially the Midlands (45%) and Scotland (43%), where employers see apprentices as the most productive new recruits, ahead of school leavers and university graduates. A regional disparity is also evident in terms of the skills valued by businesses in different parts of the country with just 7% of London-based businesses valuing qualifications from work-based learning, such as apprenticeships, when looking for new recruits - less than every other region surveyed.

There is a clear willingness among employers to take on apprentices, with 43% of businesses attracted to the fact that apprenticeships provide training that is directly relevant to a specific role or industry. Despite this, around a quarter of employers are put off hiring them because they feel their staff don't have time to mentor them (27%) and that they don't have any roles available which are relevant to apprentices (25%).

The research highlights that in an increasingly competitive job market, many UK employers, particularly SMEs, are turning to staff with practical skills. However, SMEs generally lack awareness of the different types of apprenticeships, which remains a barrier for the schemes. In order to remove this barrier, business of all sizes need to have a more adequate understanding of the various types of apprenticeships on offer.

The issues highlighted shows that more needs to be done by both the public and private sectors to better promote the benefits of the different types of apprenticeships available to employers of all sizes, while working closely with business trade bodies to make sure the messages reach the business community.

## Conclusion

The focus of successive governments on increasing university access and attendance now needs to be transferred to the practical, work-based skills needed by employers and the pathways that support them. Apprenticeships can help meet this challenge - as well as meeting young people's aspirations for higher and degree-level qualifications - but there is much to do to shift public perception about their worth.

This report shows that when parents and young people know more, they're more receptive to considering apprenticeships as an option after leaving school, and when employers know more they are more likely to see apprenticeships as a means to recruiting the best people. **What is needed now is a campaign similar in scale to that which promoted university attendance - but targeted at apprenticeships - especially in the South where they have the biggest image problem.**

There is still the perception that apprenticeships are for blue collar roles and lack the intellectual rigour and respectability of a degree. **The government, education providers and providers of apprenticeships need to do more to educate the public about how apprenticeships have changed and how they now represent a realistic pathway, regardless of social standing, to a long-term and fulfilling career.**

And finally businesses will have to step up to the plate. The introduction of the Apprenticeship Levy will accelerate this, and the sharper businesses will see that by embracing apprenticeships they can make a real difference to both their company and to the broader society in which they operate.



Adam Daly, Principal

Crawshaw Academy, Leeds



Pippa Morgan

Head of Education and Skills at the CBI

"Businesses are clear of the value that hiring an apprentice can bring to their organisation over the long run - and we all have a role to play in ensuring this message is heard by young people, parents and teachers. An apprenticeship can provide a great first step into an excellent career, but there is still work to be done to put this route on the same footing as academic and other college routes.

"Work is needed to ensure that the new Apprenticeship levy policy and skills system being created does not damage the high-quality apprenticeship schemes already in existence and to ensure that more young people can access these opportunities."



Grace Mehanna

Talent & Skills Director at Business in the Community



Kairon Flower

Apprentice at Interserve Learning and Employment

"With the Apprenticeship Levy coming into force next year, businesses have more opportunity than ever before to actively shape the skills agenda. Apprenticeships open up new routes into employment beyond graduate schemes, but it's important for businesses to make sure that these routes are accessible and visible to young people from all backgrounds. Interserve's findings show that it's clear that there is still a long way to go to communicate the full value of apprenticeships to parents and young people. To build a strong and diverse talent pipeline, we would urge businesses to make this a central part of their recruitment strategy."

## Interserve Learning & Employment

Interserve Learning & Employment has a strong position in the education, skills and employability markets. We are one of the largest private sector suppliers of apprenticeships in the UK, supporting over 7,500 apprentices across multiple sectors, and are also a prime supplier to DWP, providing employment-related services.

Our aim is to redefine the future for people and places by delivering education and work-based learning that will support economic growth. Our 900-strong team provides tailored support to help individuals in a range of situations including: young people leaving school and looking for the first step in their career; people in work who need help to progress through in-work training; supporting people with health-conditions and disabilities to help them overcome their barriers into work; and ex-offenders wanting to turn their lives around, get back to work and re-join society.

Whether you're a small or medium enterprise (SME) or a large, corporate employer the ever-changing landscape for recruiting, training and developing staff can be challenging. As a provider of education, training and employability services, we're here to

help, be that through expanding workforces with a high quality recruitment service, helping employers gear up for the Apprenticeship Levy, enhancing the calibre of current staff through apprenticeships and work-based vocational qualifications or filling valuable work placement vacancies with eager trainees and work experience candidates.

Overall, throughout our services, we aim to:

- ▶ Provide first class skills, employment and education services
- ▶ Place employability at the heart of what we do
- ▶ Break down the barriers that our customers face when trying to improve their chances in life
- ▶ Focus on results, providing personal goals for all our customers and creating the opportunities through which they'll be achieved

Being a part of Interserve's growing front line public services portfolio, we are in a unique position to provide holistic and joined up solutions for government, employers and most importantly, our service users. This advantageous position includes utilising Interserve's frontline services within healthcare, welfare, education, skills, justice and home affairs.





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Interserve is one of the world's foremost support services and construction companies, operating in the public and private sectors in the UK and internationally.

Our vision is to redefine the future for people and places. Everything we do is shaped by our core values. We are a successful, growing, international business: a leader in innovative and sustainable outcomes for our clients and a great place to work for our people.

We offer advice, design, construction, equipment, facilities management and frontline public services. Headquartered in the UK and FTSE listed, Interserve has gross revenues of £3.6 billion and a workforce of over 80,000 people in 40 countries.