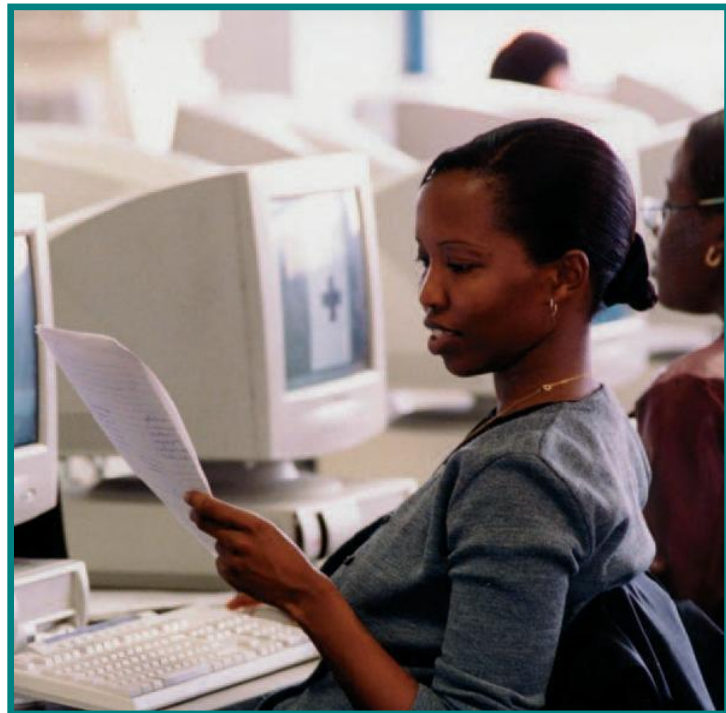


Insight paper on the future of the national apprenticeships strategy

May 2010



Insight paper on the future of the national Apprenticeships Strategy

1. Apprenticeships - helping people get into and on in work

As the UK moves out of recession, apprenticeships provide the UK with the ability to not only motivate and develop individuals and business, but also help in closing the large skills gap which potentially threatens the long-term economic future of the UK.

Evidence shows that apprentices are more productive, have higher morale and produce a higher standard of work than other employees. This balances the training costs for the employer and keeps a business highly competitive within its market.

Combining real work with learning and training, both on and off the job, apprentices are loyal to their employer; not only benefitting the employer but allowing the apprentice to continue to develop his or her skills, potentially leading them to achieve senior positions within that business.

2. Why Tribal are commenting

Tribal has a wealth of experience delivering the components of individual Apprenticeships (NVQs, Technical Certificates and Functional Skills) developed through direct delivery contracts with national employers (McDonalds and Sainsbury's) and nationally funded contracts including Train to Gain.

More specifically Tribal has developed insight in the area of work-based learning programmes through:

- The provision of tailored learning programmes for around 5000 McDonald's apprentices and over 1000 Sainsbury's apprentices to date.
- Joint action with BII, the body representing the licensed retail trade, to establish an Apprenticeship scheme targeting over 1000 places across pubs, licensed restaurants and nightclubs.
- Tribal's support for Train to Gain providers for 2008/09 resulted in retention rates of up to 85%.
- Work with the National Apprenticeship Service to promote Apprenticeships to employers, and responsibility for evaluation of the Functional Skills pilots run by QCDA.
- Work with European Social Fund under the Equal programme to design, develop and test apprenticeships in the broadcasting and performance industries
- Many years of experience in the design of contextualised learning programmes through our work with employers and on behalf of Government in relation to Skills for Life programmes, with our e-learning solutions currently being used by around ¾ of a million users every year.
- The provision of the market-leading software for management information, MAYTAS, that ensures that training providers, irrespective of sector or context and setting, collect the data in the form required by the Learning and Skills Council to trigger funding payments.

Through these examples and other streams of work we have supported employers in identifying and addressing their skills and training needs, particularly in subject specialisms such as Leadership and Management, Business Administration, Customer Service, Retail, and Learning and Development.

Consequently, Tribal has had firsthand experience of the challenges businesses face in providing apprenticeships and supporting apprentices as well as how best to eliminate or overcome these obstacles. We continue to respond directly to our partners' concerns, but we also believe the lessons hold true for anyone keen to see apprenticeships thrive.

3. Challenges for Apprenticeships in the future

If ambitious goals for large scale expansion of apprenticeship places for young people and under-skilled adults are to be realised across the UK economy, then Government and publicly funded skills bodies need to radically re-cast the relationship they enjoy with employers and do more to engage those employers not currently involved especially from within the public sector.

The government will be dependent on the co-operation of SMEs and larger employers to reach apprenticeship targets. While evidence suggests there is growing demand for apprenticeships by learners and employers, that demand will not be effective or sustainable if employers in key sectors of the UK economy continue to be put off by the complex processes and procedures as well as the other 'hidden burdens' of offering apprenticeships.

In Tribal's view employers who have strongly considered the possibility of taking on apprentices only to abandon those plans often do so because they perceive that there is simply too much bureaucracy, front-loaded cost and uncertainty - in relation to the quality of apprentices - to justify taking the risk.

Some employers have reported that they feel that many providers did not offer programmes that met their key concerns, for example that apprentices had insufficient basic employability skills, such as customer-facing roles, despite completing E2E programmes beforehand.

Apprenticeships need to be specific and targeted for individual sectors and employments, if they are to appeal to employers and employees: the employer must feel that there is enough practical input into the off-the-job learning components of the apprenticeship to ensure that the apprentice is developing the in-depth knowledge needed to reach the stage where they can take on specialist technical roles and thereby begin to contribute to business goals.

The skills gap addressed by Apprenticeships also exist in the older 25+ age groups and the benefits of Apprenticeships could be extended to the whole workforce by similar means.

Finally, it is essential that employers, those from small businesses in particular, do not face time lags in receiving funding to support apprenticeship programmes. Government must work hard to ensure that payments are timely and that employers do not end up having to carry unbudgeted costs for weeks or months as a result of delays caused by pressures on the funding silos. The potential of virtual skills accounts needs to be fully harnessed in the design of apprenticeship funding arrangements for the future.

4. Making Apprenticeships work – key factors for a successful strategy

On the basis of our experience, we believe that Government needs to:

- i. Get the incentives for employers and learners aligned and find the right messages about the value of apprenticeships in terms of higher productivity, earnings and career development opportunities.
- ii. Make the ‘system’ as simple and operationally effective as possible.
- iii. Create flexibility in the ‘system’ so that SMEs and those employers in key industries can benefit from apprenticeship funding without making extensive commitments that place an unnecessary and unwelcome burden on business practices.
- iv. Ensure that the vocational qualifications system underpinning apprenticeships is flexible but stable and understandable to employers over time. It is crucial here that the qualification achieved are valued by employers and therefore valuable to the employees.
- v. Enable often small but dynamic businesses in fast-moving areas such as the Creative and Cultural Industries to develop informal pre-apprenticeship routes for non-traditional learners and allow such businesses to design and manage joint schemes across a number of employers.
- vi. Expand the role of technology in delivery to enable improvements in take up/retention/progression.

4.1 Get the incentives for employers and learners aligned and find the right messages about the bottom-line value of apprenticeships to both in terms of productivity, earnings and career development opportunities

In delivering its apprenticeship strategy, Government must get the incentives for employers and learners in alignment and also develop the appropriate balance in the messages it uses to promote apprenticeships.

While apprenticeships may fit into wider social policy objectives around aspiration and widening opportunity and participation, it is important to recognise that self-interest is an important motivating factor and in promoting apprenticeships Government should stress the tangible benefits to employers and ‘would-be’ apprentices.

More specifically, in the current economic climate employers will be looking at how apprenticeships can help them improve their competitiveness through boosted staff productivity without significant investment, and, in the case of employees, they will want to see how an apprenticeship enhances future career prospects, opens up avenues for specialisation and improves their chances of earning more as a result of their increased employability skills, advanced technical capability and proven motivation.

With this in mind the Government must consider how it can produce a powerful evidence base of the bottom-line impact that apprenticeships can have on company growth and employee earnings through increased productivity and career opportunities. This evidence base must be tangible to employers and learners, rather than primarily intended for the performance management purposes of government officials.

It is essential that Government goes about this change in focus without increasing the burden of reporting and bureaucracy that employers face. Equally any change must be sensitive to industry concerns about the quality and effectiveness of the existing audit and reporting mechanisms for learner progress on apprenticeship programmes.

In Tribal's experience the benefits to employers of Apprenticeships include increased staff retention, lower recruitment costs, reduction of accidents and general wastage, smoother promotion to supervisory roles and better quality work and productivity as a result of improved education and confidence.¹

4.2 Make the 'system' as simple and operationally effective as possible

To do this Government should consider:

- Making individual learning plans genuinely user-responsive – there should be a clear-cut picture for learners of what they can do and achieve by the end of the apprenticeship scheme. Tribal's success in its work around apprenticeships has been driven by our conscious recognition of the need to fit the programme to the employee, not the other way around.
- Developing contextualised learning programmes that are relevant to the practicalities of the chosen vocation or skill set for the industry that the apprenticeship is in. Let employees learn only the skills that they need for now and the future – not an abstract set of competences unrelated to the challenges and demands of their daily working life.
- Ways of ensuring that training resources are available in a variety of mediums including paper-based, on-line and mobile technology based, to suit the work pattern and location of the individual.
- Offering a diversity of learning material platforms employers and training providers. As Tribal has found in its work with lorry and taxi drivers, fast food restaurant staff and off-shore Oil workers this can make training more effective and ensure wider take-up, without encountering prohibitively high costs.
- How Government funding agencies for skills provision can go further in streamlining the application and brokerage processes so that employers can apply in a convenient, hassle-free way

¹ Good examples of statistics to support this, which are also used by the National Apprenticeships Service, can be found in a report by the Institute for Employment Research.

http://www2.warwick.ac.uk/fac/soc/ier/publications/2008/apprenticeship_report_research_1_521.pdf

and track the funding streams involved and evaluate the value for money they represent to the business.

Tribal's MAYTAS learner management system is one proven means of achieving simplification and eliminating the burden of paper-based evidence to underpin work-based competency assurance processes. Government agencies must also do more to reduce the time and paper-work burdens facing employers in relation to apprenticeships.

4.3 Create flexibility in the 'system' so that SMEs and those employers in key industries can benefit from apprenticeship funding without making extensive commitments that place an unnecessary and unwelcome burden on business practices.

Small businesses, in particular sectors of the economy, may balk at the bureaucracy and risk of taking on apprentices full-time directly but might be open to short or part-time apprenticeships and job-share apprenticeships as under the Australian model. Tribal is working with the licensed retail industry to enable small employers to benefit from apprenticeship schemes through joint and transfer arrangements.

Tribal also believes that there is a great potential role for Group Training Associations to play in developing apprenticeship provision across different sectors of the economy. In the next decade, the Government should do even more to promote awareness and facilitate the development of Group Training Associations in high-growth areas of the economy where there are weak historic apprenticeship and training traditions.

4.4 Ensure that the vocational qualifications system underpinning apprenticeships is flexible but stable and understandable to employers over time. It is crucial here that the qualification achieved are valued by employers and therefore valuable to the employees.

To be credible to employers, apprenticeships need a stable set of underpinning qualifications and core generic skills components that employers recognise, respect and understand.

Vocational qualifications do of course need to move with the fast changing nature of the employer needs and job requirements in a global economy but what is needed is an underpinning stability where the only changes that are introduced are critical to the currency of the employer and the sector not the result of abstract or theoretical policy imperatives .

That said, in Tribal's view, repeated change to structure, learning content and branding will not help engender credibility, so once a vocational qualification is developed in a particular sector to match an apprenticeship framework it should be maintained for as long as it is fit for purpose and only reformed or replaced if genuinely necessary.

Perpetual re-branding and minor, but high-impact re-structuring by Government of key publicly-funded and regulated apprenticeship learning components such as Functional Skills, Skills for Life qualifications and NVQs will only result in further levels of complexity and increased uncertainty for businesses about the relevance and value of apprenticeships and other forms of vocational learning.

Sector Skills Councils also need to be more empowered and better resourced to fulfil their functions of approving the development of apprenticeship frameworks and vocational qualifications for increasingly diverse and complex industries and professions falling within the same overall sector.

Case Study 1:

McDonald's UK case study: Cost-effective, scalable training through e-learning

McDonald's UK and Tribal have worked in partnership since 2005 to produce a minimal-bureaucracy, user-friendly, highly cost effective way of delivering quality, funded Apprenticeships to every McDonald's crewmember in the country, regardless of shift patterns, remoteness, and access to external training providers.

The distributed nature of the McDonald's Restaurants business, with many small sites in almost all towns and cities in the country, meant that a traditional approach to NVQ, Apprenticeship or Skills for Life programmes would have been unsuitable and unnecessary.

Instead McDonald's, working with Tribal, mapped its Crew Development Programme (the standard training that all staff have to undertake) to an NVQ in hospitality, with Training and General Managers taking on the roles of Assessors and Internal Verifiers. Consequently, McDonald's training programme has become possibly the most embedded accredited training programme in the UK.

Tribal's role was to provide a bespoke web-service that could be used by Assessors, Learners, Internal Verifiers and Administrators to manage every part of the programme and record all data, evidence and reviews. Importantly, it had to be easy to use, requiring very little training, and avoid 'Apprenticeship jargon', while also cutting down on associated bureaucracy and funding problems.

The system now allows Training Managers and General Managers to concentrate on training, assessing and quality assuring, while Tribal operates the back end of the programme, processing all claims, supporting audits and inspections, and providing management with all necessary information. It has allowed a very small McDonald's team to manage a massive and very successful national Apprenticeship programme.

In addition, as part of its on-going commitment to all of its staff McDonald's offers all its UK crewmembers online English and maths learning, delivered by Tribal's specialist tutors. The tutors support learners through email, telephone, and a tailored secure learning website. At the end of the course, the learners sit accredited, invigilated tests in special test centre restaurants. On the same website they can also access Tribal's tutored Skills for Life programme and several other e-learning packages.

By securely integrating the learning site with company HR systems, Tribal was able to provide McDonald's and the Learning and Skills Council (LSC) with a system which has eliminated the need for paper records for each learner and learners' signatures. It is now a scaleable programme which can be expanded or contracted to suit business needs, and this has allowed it to be rolled out to almost 5000 apprentices, with 10,000 expected to enrol on the programme in 2011. Each successful employee will secure a qualification equivalent to the baseline target of five high grade GCSEs.

Case Study 2

Ford Motor Company case study: pre-apprenticeship skills training to boost confidence and aid business

In August 2007 Ford Motor Company and the London Borough of Barking and Dagenham brought Tribal in to identify, support and develop workers at Ford’s Dagenham Engine Plant who have literacy, numeracy and language needs, as well as to provide the associated planning, logistics and engineering services.

The programme, having scooped a number of awards, is now funded by the London Development Agency and the London Borough of Barking and Dagenham and has been extended to run until 2011. The programme has given employees greater confidence and had great benefits for the business including a noticeable drop in absenteeism and a significant increase in engagement and productivity.

Tribal worked with Ford to develop a favourable skills culture on the shop floor and a work-based learning programme which is tailored to suit the organisation and its staff. Workers on the Puma, Lynx, Tiger and Lion production lines now benefit from Skills Coaches working amongst them, building relationships between employees, management and the trade unions.

Study is related directly to day-to-day work processes on the engine production line and coaching takes place on site, in one-to-one sessions lasting between 15 and 20 minutes. This approach has removed any stigma from ‘being sent off’ to a local provider to attend a Skills for Life Course, or concerns that a worker may have about being slower to learn than the rest of a group. The skills coaches also support line managers and group leaders on a wider range of work-based learning, as well as supporting Ford’s business improvement process.

Consequently while many employees at Ford have gained confidence from the programme – and in the knowledge that Ford knows the value of its employees – there have been considerable benefits for the business.

Ford identifies the Upskilling & Sfl Programme as having significantly contributed to the following improvements:

Safety	<ul style="list-style-type: none"> • 65% reduction in lost time case rate • 92% reduction in accident severity rate
Delivery	<ul style="list-style-type: none"> • 33% increase in production volume • 6% improvement in build to schedule
Cost	<ul style="list-style-type: none"> • \$1.9 million saving on labour & overhead budget
Morale	<ul style="list-style-type: none"> • 22% increase in Employee Satisfaction (internal survey) • 0.6% reduction in unplanned absence
Environment	<ul style="list-style-type: none"> • 22% reduction in energy consumption (kwh/unit)

Mid-term evaluation findings	<ul style="list-style-type: none"> • Providers, supervisors, group leaders & production operators report improvements in confidence & skills • Employees have improved their knowledge & skills & think more positively about work. An employee survey found the following: <ul style="list-style-type: none"> ○ 69% agreed the training has improved their performance at work ○ 77% agreed the training has prepared them for their work in the future ○ 70% agreed that the training has encouraged them to learn
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5. How Tribal works with an embedded apprenticeship client

Tribal vocational specialists know that most modern employers are best at training their own staff. Our model with embedded apprenticeships is to focus on the areas an employer finds it difficult to address or deliver thus allowing the employer performing the roles they are best suited to.

Typically, Tribal will provide:

- Mapping of the employee training programme to an appropriate apprenticeship
- A system which makes it easy and intuitive for an employer’s training staff to record:
 - Evidence
 - Reviews
 - Maintain a learning/training plan
- A system that makes it easy for learners to learn online
- A system which makes it easy for an employer to manage progress information
- Training in English, maths and ICT
- Training through e-learning for the knowledge test
- Processing claims and data in order to gain funding (where appropriate)
- Registrations with awarding bodies

Our employers:

- Deliver on the job training, recording evidence of success into the system
- Intervene with learner if they do not keep up to date on their online learning
- Invigilate tests

6. Sources of further information and advice

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