

Abstract

Purpose

The purpose of this short practitioner case study is to offer an employer perspective on the value of Degree Apprenticeships (DAs) less than a year after the first apprentices commenced their studies for a bachelor's degree in September 2015.

Design/methodology/approach

This case focuses on one of the first DAs in the United Kingdom. It draws on evidence from interviews with Human Resources professionals responsible for the DA in two companies, an international Private Limited Company (PLC) and a smaller, fast growing enterprise.

Findings:

Both employers consider that the DA meets recruitment needs in ways that other options do not. They particularly value the ability of apprentices to make an immediate contribution in the workplace. For the smaller employer the university support structures are a significant advantage. Only the larger employer formally input into the curriculum via the pre-validation advisory group but both feel they can tailor content to suit their needs. Both see investing in the DA as excellent value for money and less favourable government funding in the future would be unlikely to deter them from employing degree apprentices.

Implications for practitioners:

The value of strong relationships, trust and on-going dialogue between partners emerges as a key component in fulfilling the need of employers.

Original contribution

This case study provides an early insight into two employers' rationales for engaging with the DA programme and their initial experiences. The DA model recasts employers as the purchasers of higher education and affords them a key role in developing provision tailored to their needs. Implications of this new model for employers, universities and learners are potentially profound and hard to predict. The case study is based on part of the early stage of a three-year research programme.

Introduction: Degree Apprenticeships from an employer perspective

Degree Apprenticeships (DAs) in the UK were announced in 2014 as part of the Higher Apprenticeship programme, intended to deliver and test both academic learning and on-the-job training (Skills Funding Agency, 2015). Employers are at the heart of UK skills strategy (Henderson-Morrow, 2013) and Richard's (2012) review of apprenticeships recommended greater influence for employers on curricula. DAs mark a radical departure from the dominant university degree model as the 'customer' for higher education becomes the employer rather than the individual (Department of Business, Innovation and Skills, 2015; University Vocational Awards Council, 2015). At present, government funding makes DAs financially attractive to both apprentices and employers. There has been concern, however, that employers may fail to engage with DAs if existing schemes already fulfil their needs, if financial costs increase, or if other commitments associated with DAs are perceived to be too high (O'Leary & Wybon, 2015).

The purpose of this short practitioner case study is to offer an employer perspective on DAs less than a year after the first apprentices commenced their degree studies in September 2015. The case is a BSc at Manchester Metropolitan University (MMU) based on the standard for Digital & technology solutions professionals. The programme responds directly to skills shortages identified by employers in the region (New Economy Manchester, 2013).

Prior to launching this first apprenticeship degree programme, the university put in place a Director of Apprenticeships, supported by a team of academic and administrative staff to build and maintain relationships with employers and students. Relationships of trust between employers and HEIs are developed over time (White, 2012), and both case study organisations had previously had some contact with the university, either through personal networks or indirectly via a sister company. A second component of the relationship between the university and companies in the initial stages of the programme was the establishment of an Advisory Board to allow employers to shape the content of individual modules prior to validation of the degree.

Case study approach

As one of the first institutions to offer DAs, *MMU* has resourced a programme of research over the next three years (led by the first author) to undertake systematic collection and analysis of data as DAs progress and expand. This will ensure that robust, research based evidence will be available to support policy makers and practitioners. The research has only just commenced, however, and we offer this article based on early interviews as a preliminary practitioner case study rather than a full academic research article.

Twelve employers offered a total of 60 apprenticeships in the initial cohort. Three of them have more than 10 apprentices on the programme and the remaining nine only four or fewer. This case draws on evidence from interviews with HR professionals responsible for the DA with two companies. We selected them to represent the contrast in company size and apprentice numbers. Respondent A is head of

technology and talent programmes at *FinancePLC*, which has 500 apprentices internationally and currently employs nearly a third of the apprentices in the first cohort at *MMU*. Respondent B is HR Manager of *MediaCo*, a high growth enterprise with 100 employees and just two apprentices. The interviews covered employer need, rationales for participation in DAs, expected benefits and challenges, and relationships between business and higher education.

Findings

Advantages of degree apprenticeships for employers

Analysis of employer investment in apprenticeships and work-based learning, prior to the introduction of DAs, shows that employers engage with apprenticeships for a variety of reasons. Principal among these are the desire to maintain a pool of skilled workers and the ability to recruit high quality candidates by offering training and a qualification (Hogarth et.al, 2012). This case study suggests that employers invest in DAs for similar reasons. In Respondent A's view the most significant incentive to work with DAs was "massive" skill shortages. "*I had been petitioning for a while for better quality provision for our learners*", she said. Training provision is typically too generic to meet *FinancePLC*'s needs so, "*when this opportunity was presented I said 'yes', let's see how we will make this work*". Respondent B in contrast was "*a bit apprehensive*" at first. She said *Mediaco* had grown very quickly and was looking at ways to hire high quality candidates in an extremely competitive market. The support of *MMU* in recruiting the apprentices had proved invaluable. The company advertised the apprenticeships using both their own website and that of the university, eventually employing two high calibre candidates who had applied via *MMU*.

Although the apprentices are only a few months into the four-year programme, both respondents are already talking about the advantages of the DA model for retaining skilled employees. Respondent A observes that that in general retention of apprentices is higher than graduates and she anticipates that "*equipping them [degree apprentices] for multiple career pathways in our organisation may keep retention longer*". Respondent B also sees the opportunity for degree apprentices to experience a range of career opportunities within the company as a driver of retention.

In *FinancePLC* an important advantage of the DA over traditional graduate recruitment is the opportunity to put knowledge and skills to immediate use. Respondent A said of university degrees, "*it's five years before we get the benefit*" and the new graduates "*are hit with the reality that what they learn is out of date*". The DA programme, in contrast, enables the apprentices to bring their new knowledge and skills to the workplace immediately and is "*really empowering*". *Mediaco* lacks the resources to operate its own graduate training programme. In Respondent B's experience, "*when you get a graduate you don't have any support - everything they learn has been academic [but] does not translate into a commercial environment*". Ongoing support for the DA and trust between the company and the university DA team are vital components of the relationship between *MMU* and

Mediaco. “If there is anything we need help with we know they will respond almost immediately.”

Both employers spoke warmly about advantages of the DA programme and gave detailed examples of specific benefits they perceived for their businesses. The larger employer emphasised how DAs add to their existing provision for graduates whereas the smaller one, with fewer resources, put particular value on the university DA team’s day-to-day support.

Curriculum Development

The opportunity for employers to shape curriculum content is one of the main rationales underpinning current apprenticeship programmes. For both of the case study employers this is an exciting and long overdue development. Both find that traditional degree courses fail to provide the skills they need. Some skills important to *FinancePLC* are not taught at universities, such as ‘legacy’ technologies vital to the business but not seen as ‘sexy’ by academics or students. Respondent A put great value on the opportunity to make a direct input into the curriculum development as part of the pre-validation Advisory Board, for example including a particular software package in a Business Systems module. “I thought it was amazing”, she said, “over 6 months it was really eye-opening as a business”. *Mediaco* was not involved directly, although a senior executive of their ‘sister’ company sat on the Advisory Board.

When the University validated the DA it included the option to replace a piece of assessed work with a project tailored to the needs of the employer, subject to discussion with tutors to ensure it meets the required standards. In the opinion of Respondent B this flexibility is important because the rapid pace of change at *Mediaco* means apprentices are often using technologies at work that they are yet to study. The ongoing dialogue between employers and a university created by this form of assessment is not without potential challenges in terms of reconciling organisational needs and academic systems, procedures and policies (White, 2012; Byrom and Aiken, 2014). For example, many different projects to be assessed for a single module could give rise to tensions between the expectations of the employer and the capacity of the University. To date, however, the role played by employers in this way has been a strength of the university / employers partnerships at *MMU*.

Overall, both respondents stressed the value of a learning programme tailored closely to business needs. Key to achieving this are the structures and assessment methods put in place by the University including the pre-validation Advisory Board. This created a space for employers to engage with the process of developing and shaping course content and, at the same time, helped to build trust between employers and the university.

Attitudes to Funding

Both the case study companies see DAs as excellent value for money. In Respondent B’s words the cost represents, “*substantial investment in an employee - yes it’s quite a substantial amount but it’s worth it*”. For *FinancePLC* the benefits of DAs outweigh economic considerations and include unexpected outcomes beyond

individual staff development. *“The energy they bring into the workplace is contagious.”* Both organisations plan to continue their involvement in DAs. As an employer with an annual wage bill of more than £3 million *FinancePLC* will be required to contribute half a percent of their annual wage bill to the new Apprenticeship Levy from 2017. Respondent A feels that *“it will be a tough gig to invest that”* but is convinced that the appetite for degree apprenticeships will remain. *Mediaco* is below the threshold although Respondent B believes the levy may affect the company in future, given its rapid pace of growth. *Mediaco* is unable to take new apprentices in 2016 due to the departure of a key staff member but remains fully committed to the programme, and intends to recruit again in 2017.

Both employers see the investment they have made in the DA as valuable to the business. Both are aware of possible changes but less favourable government funding would be unlikely to deter them from participating in future. For the large employer in particular the benefits are not limited to the economic.

Implications for Practice and limitations

The DA model recasts employers as the purchasers of higher education and elevates their role in developing provision tailored to their needs. The success of DA programmes depends on a tripartite relationship between the university, the employer and the learner (White, 2012). This case study has focused only on the bipartite relationship between the university and employer. That is a limitation, as is the very early stage in the journey for employers, the university and the apprentices. Implications are therefore provisional and will be subject to re-assessment and refinement as the longitudinal research progresses. In future, fuller reports and articles will add evidence from further company interviews and revisit the companies featured in this article.

Both employers greatly appreciated the flexibility of the DA to respond to business needs, although only the larger one had been able to engage directly with influencing the curriculum through the Advisory Board. The importance of effective two-way dialogue between companies and the university was highlighted again and again throughout the interviews. Respondent A, for example, spoke of the necessity for timeliness in a fast changing business environment and Respondent B pointed to the possibility of including new technologies not yet studied as part of the curriculum. Incorporating provision for work-based projects gives companies an element of flexibility in shaping the academic work of their apprentices. Whether this method of assessment is sustainable in the long term remains to be seen but early indications suggest it is highly valued by employers. The role of the Director of Apprenticeships and her team was vital in the early stages of the process, and they remain a key point of contact between employers and University. For the smaller, but not the larger, employer the level of support and structure provided by the university is a significant advantage that places the DA above graduate employment in meeting company needs.

If degree apprenticeships are to play a significant role in creating the workforce of the future there is a need to better understand why employers large and small choose to engage with the process. This case study provides a first insight into employers' rationales and their early experiences. It begins, therefore, to fill a gap in

what is currently known about employer perspectives with the authoritative voice of practitioners. The DA programme in question focuses on technology and is grounded, therefore, in a domain where knowledge and skills quickly become outdated. Whether other employers will expect such a high degree of flexibility in other DAs is not clear. It is likely, however, that relationships of trust will remain a vital component of successful DAs.

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