Apprenticeships and the Levy: institutional constraints on take-up

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Evidence base

Project 1
- Survey of 650 businesses (in conjunction with Leeds Chamber)
- 40 in-depth interviews with providers of Work Programme (& other programmes)

Project 2
- Survey of 305 businesses (in conjunction with Prime provider)

Project 3
- Survey of 1,500 businesses in UK and Denmark
- In-depth interviews with 101 businesses & providers
Employers in the driving seat?
Defining employer engagement

• Interchangeable terms: Participation, involvement, engagement

“any form of contact between any organization and an employer that attempts to effect a change in the knowledge, understanding or behaviour of either, or of a third party, for some purpose related to the wider public benefit”

(Cooper, McKinnon and Garside, 2008)

• Two ‘faces’ of employer engagement (Ingold and Stuart, 2015)
  • employer involvement
  • providers’ engagement with employers
"I would imagine it works pretty much like this – it’s a Government scheme, it would fail, it would be a disaster and 18 months down the line, 2 years down the line it would be something else and it will be renamed and it will be something else because that didn’t work”

(medium-sized private sector employer, UK)

“the whole system is nuts”

(small, manufacturing, UK)
Reasons for employers’ engagement

1. Give people a chance
2. CSR
3. Financial incentive
4. Develop talent
5. Recruitment channel
6. Cost effective
7. Right person
8. Training requirement

DK UK
Reasons for employers not engaging

1. Paperwork
2. Lack of demand
3. Gap between contracts
4. Inappropriate to needs
5. Lack of knowledge/not approached
6. Past experience
7. Satisfied with current arrangements
8. Too time-consuming
9. Scepticism

DK | UK
---|---
1 | 2
1 | 3
1 | 1
8 | 12
3 | 5
1 | 2
2 | 4
1 | 2
Employers’ views (1)

- Employers were very familiar with apprenticeships

- Apprenticeships were popular with employers
  - wanted to ‘give young people a chance’
  - to ‘develop talent’ in their organisation
  - ‘cost-effectiveness’

- BUT employers were critical of low level of government’s advertised apprentice wage (although most stated they paid above this)
  - Faulty assumptions about employers
  - Not the right image/poor fit with organisational values
Employers’ views (2)

- Apprenticeships more popular in particular occupational areas (e.g. administration)
  - where successful, employers looked to extend their reach into other business areas

- Issues:
  - Organisational capacity
  - Line manager time and ability to support
  - Small number of employers had had apprentices ‘poached’ by other employers (pay rise or change of location) but not problematic

- BUT programmes designed with large employers in mind
  - Exacerbated by centralized contracting
Barriers: Structures

- Too many programmes, providers and constant changes
  - ‘political hyperactivism’/‘policy-itis’
  - “Where’s the door?”

- Cf report published today by AELP *Employers in the Driving Seat*:
  - only a minority of employers are accepting a lift in the government/providers’ car
  - “we need a dual control between the employer and the provider as both are understanding things from different angles”
Barriers: Information

• Employers don’t know where to find information
• Lack of information and clarity about how to access programmes/assistance and their value
• Employers unclear about input/level of engagement expected
• Some providers ‘did not understand their business’ or ask for feedback from them
• Employers say: we don’t hear from providers
• Providers say: it’s hard to get in front of employers
“you’re not interested in all sorts of information all the time, you need the right information at the right time”
(small, public, employer - DK)
It’s about relationships!

• Many policymakers find this hard to grasp!

• UK employers lacked trust in public policies & weak institutional framework

• -> more ‘gaps’ to be filled by providers through development of inter-personal relationships (cf Denmark)

• BUT these relationships are fragile

• Require maintenance & trust-building
What is needed

- It’s critical that the institutional set-up (national, regional, local) supports employer engagement
- Online portal/’employer hub’
  - BUT digital is no substitute for building & maintaining relationships & trust
- Brokerage function needed to ‘hide the wiring’
- Sector-wide approaches (progression outside orgs)
- To provide a good service to employers, providers may need to partner with other organisations
  - ‘coopetition’ (collaboration amidst competition) – requires mindset change
Employer Engagement Toolkit

- Prospecting for potential clients
- Planning and preparation
- Approach & identify needs
- Present solution & handle objections
- Deliver solutions & review

Needs-led approach (rather than product-led)

Contact details

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Resources

- Project webpage: http://ow.ly/CNpwn
- Final Report (2017)
- Special journal on Employer Engagement (incl open access article on inclusive recruitment, covered by CIPD recently):