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We would like to acknowledge the assistance of Dr. Vicki Belt from the UKCES in providing access to the Scottish employer information from the 2014 UKCES Employer Perspectives Survey. This allowed us to incorporate information on Scottish employers who did not participate in the Modern Apprenticeship programme into our analysis.

This report is based upon independent research conducted by IFF Ltd. Every care has been taken to ensure that this report provides an accurate representation of that research.
1. Executive Summary

This report is designed to explore employers’ use and views of Modern Apprenticeships and to assess the benefits and impact that MAs bring to employers. It is based upon the analysis of a telephone survey of 2,505 employers who had an employee leave a Modern Apprenticeship in the last three years at the time of the survey. This includes employees who completed as well as those who did not complete the Modern Apprenticeship.

The research was conducted by an independent market research company, IFF Ltd, for Skills Development Scotland (SDS) in the early part of 2015. The results presented have been reweighted to ensure that they are representative of MA employers as a whole. The research forms part of a wider SDS programme of research and evaluation to inform continuous improvement work and delivery of MAs in Scotland.

A similar study was carried out by SDS\(^1\) in 2012. We have included a brief comparison to key findings from the 2012 results where possible.

Key Results

Overall the headline results show:

Benefits of offering MAs

- 96 per cent of employers reported that MA completers were better able to do their job as a result of the MA, and 92 per cent reported they were better able to work with others as a result of their MA. This was the same findings as the 2012 survey.
- Three-quarters (75 per cent) of employers reported improved productivity, 72 per cent reported improved staff morale, and 71 per cent reported improved product or service quality as a result of offering MAs. The proportion of employers reporting benefits has increased significantly from 2012.
- Skill improvements were higher across the board for completers compared to non-completers. For example, 90 per cent of employers reported an improvement in problem solving skills due to completing the MA compared with 68% for non-completers.

Use and Views of the Programme

- Overall 84 per cent of employers were satisfied with the relevance of the training. 62 per cent of employers reported that they were very satisfied with the relevance of the training, with a further 22 per cent satisfied. Only five per cent were dissatisfied with this.
- Overall 84 per cent of employers were satisfied with the quality of training delivered by the provider. 64 per cent of employers reported that they were very satisfied with the quality of training, with a further 20 per cent satisfied. Only five per cent of employers were dissatisfied with this. The overall 2015 findings show very little change from 2012.
- Satisfaction with MAs differed by the framework. Overall the percentage of employers who were very satisfied considerably exceeded the percentage dissatisfied across all elements and frameworks.
- Employers were less satisfied with their chance to be involved and influence decisions made about the structure, content, delivery and duration of the MA prior to training (49 per cent satisfied) with one fifth (21 percent) dissatisfied. However, the majority of employers indicated they were satisfied/very satisfied with this element.

\(^{1}\) http://www.skillsdevelopmentscotland.co.uk/media/597653/ma_empsurv_finalwthcovers.pdf
• Over three quarters (77 per cent) of employers offered formal on-the-job training.

**Profile of Employers Offering MAs**

• The vast majority of employers responding to the survey were small companies with fewer than 99 employees. More than half of the employers who responded to the survey (59 per cent) were very small with between one and 24 employees while 28 per cent employed between 25 and 99 employees.

• The sectors with the largest number of responding employers was wholesale, retail and motor trade (24 per cent of responding employers), followed by construction (15 per cent). This reflects the large number of MAs in the retail and construction frameworks.

**Involvement with MAs**

• Overall, almost nine in every 10 (88 per cent) of participating employers stated that MAs were important to their business and workforce development. Over half (53 per cent) of employers viewed MAs as very important to their business, with a further 36 per cent viewing them as important.

• 29 per cent of employers had offered MAs for more than 10 years and a further 18 per cent had offered MAs for between five and 10 years. Employers who participate in MAs for longer considered MAs more important.

**Motivations for Participation**

• The most common method by which employers first became aware of MAs was through approach by a training provider.

• The most common reasons employers gave for being involved in MAs was to provide young people with employment opportunities (91 per cent of employers) and to improve the quality of training provided (90 per cent of employers).

• Overall, for three quarters (76 per cent) of employers, the majority of their MAs are recruited externally as new employees. For one in five employers, the majority of their MA starts are existing staff.

• Just over half (54 per cent) of employers reported that for at least one of their MAs, there was a time interval between the employee starting with the company and starting their MA.

• Overall, 43 per cent of employers reported that the applicants to the MA positions were all or mostly male as opposed to 32 per cent who reported the applicants were all or mostly female. There is considerable variation across frameworks.

**Non-completion**

• Overall, 35 per cent of employers had experienced at least one MA not complete their apprenticeship. The reasons given for this were varied and included the interest/attitude of the MA and the MA moving into a new industry or career.

• Most employers felt that there was nothing that they could have done to prevent the MA dropping out early.

**Future Plans and Intentions**

• A sizeable majority of employers (89 per cent) plan to continue with MAs, up from 83 per cent in 2012. Seven per cent intend to stop offering them, significantly down from 13 per cent in 2012, and four per cent were not sure.

• Of those employers who plan to continue offering MAs or are unsure, 69 per cent expect the number to remain the same. Since 2012, the proportion expecting to increase their number of MAs has increased from 19 per cent to 24 per cent. The proportion expecting to decrease numbers has fallen from nine per cent to five per cent.
Recommendation

- A total of 89 per cent of employers would recommend MAs if asked by another employer in their industry. This is an increase (significant) from the 2012 figure of 82 per cent. Just over half (52 per cent) said that they would strongly recommend MAs, and a further 37 per cent said that they would generally recommend MAs.
2. Introduction

This report is designed to capture employers’ views of MAs and their impact. The results are based upon the analysis of a telephone survey of 2,505 employers who had an employee leave/complete a MA in the last three years at the time of the survey.

The research was conducted by an independent market research company, IFF Ltd, for Skills Development Scotland (SDS) in the early part of 2015. The survey responses have been reweighted to ensure that they are representative of MA employers as a whole. The findings reported are based on these reweighted responses.

Employers who offer MAs as a method of work based learning can offer more than one framework or vocational qualification level to employees relevant to their needs. For the purposes of the survey, where an employer offered more than one framework or level, they were assigned a single framework based on the one they had the most number of Apprentices following. If the employer had even numbers of MAs on more than one framework or at more than one level, they were assigned to one framework and one level at random. The exception to all of this was where employers offered a level 4 or 5 MA – in such cases they were always assigned the highest level framework.

The overall response rate for the survey was 53 per cent. This represents 14% of the employers involved during the time period considered.

The key question for the research was to explore employers’ use and views of MAs. Information was collected on:

- the profile of employers offering MAs;
- involvement with MAs;
- motivations for participation;
- use and views of the programme;
- impacts on their business;
- views on reasons why some MAs do not complete; and
- future plans and intentions.

A similar survey was independently carried out for Skills Development Scotland in 2012\(^2\). Where possible, the findings from the previous study have been compared with the most recent survey results. Any statistically significant\(^3\) results are highlighted.

A detailed breakdown of the respondents to the survey by occupational framework and level is included in Annex A.

A short overview of Modern Apprenticeships in Scotland is provided for reference in Annex B.

Annex C provides a summary of analysis from the Scottish results of the 2014 UKCES Employer Perspectives Survey.

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\(^2\) [http://www.skillsdevelopmentscotland.co.uk/media/597653/ma_empsurv_finalwithcovers.pdf](http://www.skillsdevelopmentscotland.co.uk/media/597653/ma_empsurv_finalwithcovers.pdf)

\(^3\) The likelihood that a result or relationship is caused by something other than mere random chance.
3. Profile of Employers Offering MAs

Size

Figure 3.1 provides information on the size of each employer based upon the number of employees.

- Most employers who responded to the survey (87 per cent) were small with fewer than 99 employees. 59 per cent of employers were very small with fewer than 25 employees. A further 28 per cent employed between 25 and 99 employees. This is to be expected as the majority of employers in Scotland are small. This does not necessarily reflect the distribution of MAs employed as larger employers will employ more MAs but is indicative of the make up of employers by size offering MAs.

Figure 3.1 Profile of employers offering MAs based on size

![Bar chart showing size distribution of employers offering MAs]

Base: All employers

Sector

Figure 3.2 provides information on responses by industrial sector. The profile by sector is an indicative measure only as the results are re-weighted by framework and level rather than sector and size.

- The sector with the largest number of responding employers was wholesale retail and automotive trade (24 per cent of responding employers), followed by construction (15 per cent). This reflects the large number of MAs following retail, automotive and construction frameworks.
- Public administration, defence and compulsory social security and transport storage and communication were the sectors with the lowest number of responding employers.
Figure 3.2: Profile of employers offering MAs - sector

- Wholesale Retail & Motor Trades: 24%
- Construction: 15%
- Hotels & Restaurants: 14%
- Health & Social Work: 10%
- Manufacturing: 8%
- Other Community Social & Personal Service Activities: 7%
- Financial Intermediation: 6%
- Education: 5%
- Primary Sector and Utilities: 3%
- Real Estate Renting & Business Activities: 3%
- Transport Storage & Communication: 3%
- Public Administration Defence & Compulsory Social Security: 2%

Base: All employers 2,505
4. Involvement with MAs

Importance of MAs to the Business

Overall, almost nine in every 10 of participating employers stated that MAs were important to their business and workforce development (Figure 4.1).

- Over half (53 per cent) of employers viewed MAs as very important to their business, with a further 36 per cent viewing them as important – leading to 88 per cent attaching a degree of importance to MAs.
- Three per cent of employers said that MAs were not at all important to their business.
- There were differences by framework. Employers where the majority of MAs followed the Hairdressing and Barbering MA framework were most likely to say that MAs were very important to their business (71 per cent), followed by Social Services and Healthcare (70 per cent). Employers where the majority of MAs followed the Customer Service framework were least likely to state that MAs were very important (40 per cent).
- Among participating organisations, MAs are considered more important by larger businesses with 96 per cent saying that MAs are very or fairly important.

Figure 4.1: Importance of MAs to the business

Length of Time Offering MAs

A substantial proportion of businesses have been offering MAs for several years. In total, just over two thirds of employers had offered MAs for more than three years (Figure 4.2).

- Almost one third (29 per cent) of employers had offered MAs for more than 10 years.
- Nearly one quarter of employers (23 per cent) are recently new to MAs, offering MAs for between one and three years.
- Almost one in five (18 per cent) had offered MAs for between five and 10 years.
- A further fifth (21 per cent) had offered MAs for between three and five years.
Employers involved for longer considered MAs more important. 94 per cent of employers offering MAs for more than 10 years said that MAs are very or fairly important to their business compared with 78 per cent of employers offering MAs for a year or less.

Figure 4.2: Length of time establishment has been offering MAs

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 10 years</td>
<td>29%</td>
</tr>
<tr>
<td>5-10 years</td>
<td>18%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>21%</td>
</tr>
<tr>
<td>1-3 years</td>
<td>23%</td>
</tr>
<tr>
<td>Year or less</td>
<td>6%</td>
</tr>
<tr>
<td>Don't know / refused</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: All employers
5. Motivations for Participation

A key aim of the survey was to investigate why employers participate in MAs and how they become aware of the opportunities.

How Employers Became Aware of MAs

- The most common method by which employers first became aware of MAs (Figure 5.1) was through being approached by a training provider (as opposed to proactively contacting a training provider), with 36 per cent of employers reporting this.

Figure 5.1: How organisations first became aware of MAs

![Bar chart showing the percentage of employers who became aware of MAs through different methods. The most common method is being approached by a training provider at 36%, followed by government, a council or local authority at 12%, and through another part of the organisation at 10%. Other methods include being approached by a training provider always, saw publicity or advertising promoting MAs, and others.](image)

*Base (un-weighted): All employers offering MAs for 5 years at most (1,201)*

Reasons for Being Involved in MAs

Employers were questioned on their motivation for involvement in MAs. Figure 5.2 shows around nine in 10 employers wanted:

- to provide young people with employment opportunities (91%);
- to improve the quality of training provided (90%); and
- to ensure staff can be trained in their way of doing things (89%).

Other reasons included to improve their ability to upskill staff (86 per cent), to qualify staff to meet a legislative standard (80 per cent of employers) and to improve their ability to retain (78 per cent) and attract (69 per cent) staff.

We have compared these results with those from the 2012 MA employer survey (where possible). All reasons for participating show an increase or have stayed at the same level.

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4 Employers who have offered MAs for up to 5 years.
Significant increases are seen for the proportion of employers motivated by being able to improve their ability to retain staff (up by five percentage points) and attract staff (up by seven percentage points).

**Figure 5.2: Reasons for Participation in MAs**

<table>
<thead>
<tr>
<th>Reason</th>
<th>2015</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the quality of training provided</td>
<td>Any extent</td>
<td>Any extent</td>
</tr>
<tr>
<td>To ensure that staff could be trained in your way of doing things</td>
<td>3% 23% 68%</td>
<td>9% 28% 62%</td>
</tr>
<tr>
<td>To upskill staff</td>
<td>11% 26% 62%</td>
<td>89% 88%</td>
</tr>
<tr>
<td>Because staff need to be qualified to a certain standard to conform to a legislative requirement</td>
<td>13% 27% 59%</td>
<td>86%  *</td>
</tr>
<tr>
<td>To improve your ability to retain staff</td>
<td>19% 22% 58%</td>
<td>80% 80%</td>
</tr>
<tr>
<td>To improve your ability to attract staff</td>
<td>21% 31% 47%</td>
<td>78% 73%</td>
</tr>
<tr>
<td>To reduce the costs of training</td>
<td>31% 32% 37%</td>
<td>69% 62%</td>
</tr>
</tbody>
</table>

*not prompted in 2012

*Statistically significant

Base (unweighted) (2015/2012): All employers (2,505 / 2,500)
How MAs are Recruited

Some employers take on MAs specifically as new recruits, some recruit from existing staff, and others recruit both specifically and from existing staff. Here, a new recruit on to a MA is defined as an individual starting their MA immediately on joining the company, or within six months of joining. Conversely, existing staff are defined as those who had worked for the company for more than six months before starting their MA. In summary:

- Overall, for three quarters (76 per cent) of employers, the majority\(^5\) of their MAs are recruited externally as new employees.

Figure 5.3b outlines the recruitment channels of the surveyed employers further:

- 60 per cent of employers only start MAs as new recruits and one in 10 employers (11 per cent) start MAs solely from existing staff.
- 28 per cent recruit MAs both as new employees and from existing staff.
- Just over half (54 per cent) of employers reported a time interval for at least one of their MAs starting with the company and starting their MA. 44 per cent of employers only recruited new employees who started their MA immediately\(^6\).
- For these employers who report an interval before staff starting the MA, whether it’s new recruits or existing staff, the duration varied between one to three months to more than five years in a small number of cases. In summary:
  - one in five (22 per cent) report a gap of between one and three months, and just under a quarter (23 per cent) report a four to six months time interval
  - there is a gap of between seven and 12 months for just over a fifth of these employers (22 per cent) and for 1 in 10 the gap is between one and two years
  - a further 14 percent or one out of every seven employers didn’t know what the duration was
- For employers who reported an interval of up to six months between new recruits joining the company and starting their MA, the most common reasons for the interval were; to ensure the employee is suitable (32 per cent) and for an induction/trial period/probation (27 per cent).

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\(^5\) Majority defined as more than half and up to all of the MAs recruited by the employer.

\(^6\) 1% didn’t know if there was a time interval. Figures do not add to 100% due to rounding.
Figure 5. MA Recruitment summary

60% start MAs as new recruits only
28% start MAs from both existing staff and new recruits
11% start MAs from existing staff only

All employers who report a gap between the recruit starting their job and the start of their MA:

- Less than a month: 6%
- 1 - 3 months: 22%
- 4 - 6 months: 23%
- 7 - 12 months: 22%
- 1 - 2 years: 9%
- 3 - 5 years: 2%
- More than 5 years: 1%
- Don't know: 14%

Top reasons for starting existing staff on MA:

- Wanted to invest in the skills levels of existing staff: 40%
- Existing employees already familiar with certain working...: 21%
- To ensure employee is capable / suitable for progression: 19%
- Employee development / opportunities: 6%
- Incentivise existing staff / increase staff motivation: 6%

Base (un-weighted): All employers that reported a time interval between recruiting an employee and the employee starting their MA (1,336 or 54%).

Top reasons for interval between recruitment to the company and starting the MA:

- To ensure employee is suitable (32%)
- Induction, trial period, probation (27%)
- To give employee time to become familiar with the organisation (22%)
- Timings dictated by training provider / college (21%)

Base: Employers whose MA recruits tend to spend up to six months working for their organisation before starting their MA (354)
Gender Balance of MA applicants

Employers were asked about the balance of male and female applicants to MA posts for their assigned frameworks. Figure 5.4 summarises the response by assigned framework.

- Overall, 43 per cent of employers reported that the applicants to the MA positions were all or mostly male as opposed to 32 per cent who reported the applicants were all or mostly female.

- There is considerable variation across frameworks. Almost all employers with MAs undertaking Electrical Installation, Construction, Plumbing, Engineering and Automotive frameworks, stated that all or most of the applicants were male. Whereas, almost all of the employers (97 per cent) with Social Services (Youth) MAs reported that most or all of the applicants to the MA were female.

Figure 5.4 Employers reporting gender balance of applicants to MA posts

Base (un-weighted): All employers (2,505); Hospitality (232), Retail (193), Business & Administration (226), Construction (190), Hairdressing and Barbering (216), Automotive (190), Social Services and Healthcare (165), Management (106), Freight Logistics (87), Social Services (Youth) (194), Engineering (145), Electrical Installation (99), Plumbing (52), Food and Drink Operations (82), Customer Services (60), Other primary / secondary (135), Other service industries (133)

Excludes responses for: roughly even numbers of each, don’t know or not applicable

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6. Use and Views of MAs

Participating employers were asked how satisfied they were with specific elements of MAs. They were also asked how they use MAs in terms of the types of training and support they offer.

Satisfaction with MAs

**Figure 6.1** provides information on employers’ satisfaction with MAs.

- 84 per cent of employers were satisfied with the relevance of training to their needs. This breaks down as 62 per cent very satisfied with the relevance of training and 22 per cent satisfied with the relevance of training. Only 5 per cent of employers were dissatisfied with this.

- 84 per cent of employers were satisfied with the quality of training provided. This breaks down as almost two thirds of employers (64 per cent) very satisfied with the quality of training provided, and a further one fifth (20 per cent) satisfied. 5 per cent of employers were dissatisfied with this.

- Fewer employers were satisfied with their chance to be involved and influence decisions made about the structure, content, delivery and duration of MAs prior to training starting (49 per cent) with one fifth (21 percent) dissatisfied. Similarly, a lower proportion of employers were satisfied with their ability to influence delivery and content of the training during the MA (59 per cent). However, the majority of employers indicated they were satisfied/very satisfied with the elements.
The support and communication from the provider for the employer
The quality of the training delivered by the provider
The amount and complexity of any paperwork and bureaucracy required of you as the employer
The relevance of the training to your needs
Your level of involvement and influence in decisions regarding the delivery of the Modern Apprenticeship training once it had started
Your level of involvement and influence regarding the structure, content, delivery and duration of the MA training before it started
Your involvement in, and ability to select, a Modern Apprenticeship framework relevant to your needs
The quality of applicants for Modern Apprenticeship positions

Satisfaction by Framework

- Satisfaction with MAs differed by framework (Figures 6.2a and 6.2b). Overall the percentage of employers who were very satisfied exceeded the percentage dissatisfied across all elements and frameworks.

- **Relevance of training.** The highest levels of satisfaction were found among employers offering: Food and Drink operations (76 per cent very satisfied), Social Services and Healthcare (73 per cent very satisfied) and Business and Administration (68 per cent very satisfied). The highest dissatisfaction was among employers offering Engineering (10 per cent) and Electrical installation and Customer Service (both seven per cent dissatisfied).

- **Support and Communication.** The highest levels of satisfaction were found among employers offering: Food and drink operations and Social Services (Youth) at 79 and 74 per cent very satisfied respectively. One in 10 employers assigned to Engineering, Automotive or Freight Logistics frameworks were dissatisfied.

- **Involvement in decisions before the MA started.** The highest levels of dissatisfaction were found among employers offering: Social Services Youth (31 per cent dissatisfied); Construction and Automotive (both 30 per cent dissatisfied). Employers assigned to the Food and Drink Manufacturing framework reported the highest levels of satisfaction at 49 per cent followed by Business and Administration at 38 per cent.
Figure 6.2a: Satisfaction by Framework

- Business and Administration (58%)
  - Management (56%)
- Food and Drink Operations (40%)
- Business and Administration (38%)
- Hairdressing and Barbering (35%)
- Customer Service (35%)

Ability to select a relevant framework

- Automotive (14%)
- Other construction / manufacturing / engineering (14%)
- Construction (12%)

Involvement in decisions made about the MA before the training started

- Social Services (Youth) (31%)
- Construction (30%)
- Automotive (20%)

Involvement in content, structure and delivery during training

- Construction (21%)
- Automotive (20%)
- Other construction / manufacturing / engineering (23%)

The relevance of the training to your organisation’s needs

- Engineering (10%)
- Electrical Installation (7%)
- Customer Service (7%)

Base: All employers

Figure 6.2b: Satisfaction by Framework

- Food and Drink Operations (50%)
- Plumbing (71%)
- Electrical Installation (69%)

Quality of training

- Hairdressing and Barbering (7%)
- Automotive (7%)
- Management (7%)
- Engineering (7%)

Support and communication

- Engineering (10%)
- Automotive (9%)
- Freight Logistics (9%)

Amount of paperwork

- Construction (10%)
- Electrical Installation (10%)
- Other construction / manufacturing / engineering (10%)

Quality of applicants

- Hairdressing and Barbering (17%)
- Customer Service (12%)
- Automotive (10%)
- Freight Logistics (10%)
- Social Services (Youth) (10%)

Base: All employers
Satisfaction with Duration

- Overall the majority of employers were happy with the duration of the MA, with 85 per cent reporting that it was neither too long nor too short, and is similar to the 2012 response of 84 per cent.

- Of the remainder, eight per cent said that the MA was too short (down from 11 per cent in 2012) and four per cent that it was too long, similar to the 2012 figure of five per cent.

- Employers’ views of duration varied substantially by framework. Of the employers with MAs on the Social Services (youth) framework, 27 per cent said that the MA was too short and less than one per cent said it was too long.

- In contrast, among employers with MAs on the Customer Service, Freight Logistics, Management or Business and Administration frameworks, just three per cent said that the duration of the MA was too short.

- Additionally eight per cent of employers with MAs on the Plumbing framework, and seven per cent of employers with MAs on the Hospitality and Social Services and Healthcare frameworks said that the duration of the framework was too long.

Figure 6.3: Satisfaction with duration (%)

<table>
<thead>
<tr>
<th>Employer Framework</th>
<th>Too short</th>
<th>Too long</th>
<th>About right</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>8%</td>
<td>4%</td>
<td>85%</td>
</tr>
<tr>
<td>Social Services (Youth)</td>
<td>27%</td>
<td>0%</td>
<td>67%</td>
</tr>
<tr>
<td>Hairdressing and Barbing</td>
<td>18%</td>
<td>3%</td>
<td>77%</td>
</tr>
<tr>
<td>Electrical Installation</td>
<td>15%</td>
<td>2%</td>
<td>82%</td>
</tr>
<tr>
<td>Automotive</td>
<td>13%</td>
<td>4%</td>
<td>82%</td>
</tr>
<tr>
<td>Food and Drink Operations</td>
<td>13%</td>
<td>5%</td>
<td>81%</td>
</tr>
<tr>
<td>Engineering</td>
<td>10%</td>
<td>4%</td>
<td>85%</td>
</tr>
<tr>
<td>Other Service industries</td>
<td>7%</td>
<td>4%</td>
<td>85%</td>
</tr>
<tr>
<td>Retail</td>
<td>6%</td>
<td>6%</td>
<td>84%</td>
</tr>
<tr>
<td>Construction</td>
<td>6%</td>
<td>3%</td>
<td>90%</td>
</tr>
<tr>
<td>Plumbing</td>
<td>6%</td>
<td>8%</td>
<td>87%</td>
</tr>
<tr>
<td>Other construction/ manufacturing/engineering</td>
<td>5%</td>
<td>3%</td>
<td>87%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>4%</td>
<td>7%</td>
<td>84%</td>
</tr>
<tr>
<td>Social Services and Healthcare</td>
<td>4%</td>
<td>7%</td>
<td>86%</td>
</tr>
<tr>
<td>Business and Administration</td>
<td>3%</td>
<td>4%</td>
<td>92%</td>
</tr>
<tr>
<td>Management</td>
<td>3%</td>
<td>3%</td>
<td>90%</td>
</tr>
<tr>
<td>Freight Logistics</td>
<td>3%</td>
<td>6%</td>
<td>87%</td>
</tr>
<tr>
<td>Customer Services</td>
<td>3%</td>
<td>5%</td>
<td>89%</td>
</tr>
</tbody>
</table>

Base (un-weighted): All employers (2,505); Hospitality (232), Retail (193), Business and Administration (226), Construction (190), Hairdressing and Barbering (216), Automotive (190), Social Services and Healthcare (165), Management (106), Freight Logistics (87), Social Services (Youth) (194), Engineering (145), Electrical Installation (99), Plumbing (52), Food and Drink Operations (82), Customer Services (60), Other construction/manufacturing/engineering (135), Other service industries (133)
Provision of On the Job Training

Employers were asked about the formal on the job training sessions they provide, where the training would be activities that staff would recognise as training and not the sort of learning by experience which could take place all the time.

- More than three quarters (77 per cent) of all employers provide formal on the job training as part of the MA, a very similar proportion to that reported in 2012 (76 per cent).
- The average amount of formal on the job training per week varied across employers surveyed. For 29 per cent of employers, MAs spend between one and two hours per week in formal on the job training. Over half (55 per cent) of employers reported that their MAs spend up to five hours per week in formal on the job training sessions. For over one fifth, it is more than three times this at over than 16 hours per week (Figure 6.4.)

Figure 6.4: Average number of hours spent per week in formal on-the-job training

![Bar chart showing the average number of hours spent per week in formal on-the-job training.](http://www.skillsdevelopmentscotland.co.uk/media/597653/ma_empsurv_finalwthcovers.pdf)
7. Benefits of Offering MAs

A key aim of this research was to explore employers’ views on the benefits of offering MAs. Employers were asked to what extent they and the trainees benefitted from the MA process.

- Employers gave their views on the benefits their organisation has experienced as a result of training and offering MAs (Figure 7.1). Some key benefits were specified by around three quarters of employers. The most common benefits given were improved productivity (75 per cent), followed by improved staff morale (72 per cent) and improved product or service quality (71 per cent).
- When comparing the views of benefits experienced by employers in the 2012 survey, there have been increases reported across the range of benefits (Figure 7.1).

Figure 7.1 Benefits of Offering and Training MAs

1 All 2015 increases are significant except for ‘Lower overall wage bill’. Base (un-weighted) (2015 / 2012): All employers (2,505 / 2,500)
Employers gave detailed feedback around the specific skills that their MAs had improved as a result of their training. Overall more employers reported skill improvements for trainees who had completed their MA than for those who had not completed (Figure 7.2).

- **Ability to do their job.** Of particular note is that almost all employers said that completing an apprenticeship had improved the MA’s ability to do their job. 65 per cent of employers said that completion improved the MA’s ability to do their job to a large extent, and a further 31 per cent reported improvement to some extent – leading to 96 per cent of employers reporting an improvement due to completing a MA.

- **Ability to work with others.** Similarly, 61 per cent of employers said that completion improved the MA’s ability to work with others to a large extent, and a further 31 per cent reported increased ability to some extent – leading to 92 per cent of employers reporting an improvement due to completing a MA.

- **IT Skills.** 65 per cent of employers reported an improvement due to completing a MA – 24 per cent of employers said that completion improved the MA’s IT skills to a large extent, and a further 41 per cent reported increased IT skills to some extent.

- When compared with 2012, the findings show very little change.

**Figure 7.2: Different Skills that MAs Have Improved**

<table>
<thead>
<tr>
<th>Skill</th>
<th>Complete</th>
<th>Non-complete</th>
<th>Base (un-weighted): all employers who have had MAs complete an Apprenticeship (2,057); all employers who have had a MA not complete an apprenticeship (432)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved their ability to do their job</td>
<td>23% 31% 65%</td>
<td>45% 23%</td>
<td></td>
</tr>
<tr>
<td>Ability to work with others</td>
<td>16% 39% 61%</td>
<td>31% 37%</td>
<td></td>
</tr>
<tr>
<td>Communication skills</td>
<td>18% 43% 49%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Problem solving skills</td>
<td>22% 50% 40%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Numeracy skills</td>
<td>34% 41% 15%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>IT skills</td>
<td>48% 41% 24%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

Not at all | Some extent | Large extent
Proportion of tasks that a MA is able to complete

Employers were asked what proportion of tasks MAs could undertake in comparison to a fully qualified or experienced worker at the beginning, middle and on completion of their MA.

- On average, employers felt MAs could undertake 36% of the tasks of a fully qualified or experienced worker at the start of their MA, increasing to 86% on completion (Figure 7.3).
- The increase in the proportion of tasks that a MA could complete at the beginning of the assigned framework and at the end, varied across age groups. Employers observed the greatest increase among 16-19 year olds. Employers reported that MAs in this age group were able to undertake 29 per cent of tasks at the start of their MA compared with 85 per cent upon completion. For the 25+ age group, employers felt that the MA could undertake around half of the tasks at the beginning, rising to 90 per cent of tasks of an experienced worker on completion.
- A third of employers (34 per cent) were confident that their MA could undertake all (100 per cent) the tasks of an experienced worker on completion of their MA.
- There is a variation across frameworks reported also (Figure 7.4). Employers with MAs on engineering and plumbing frameworks reported their MAs are able to complete 16 per cent of tasks at the start of their MA, rising to 84 and 89 per cent respectively on completion. For employers with MAs on management frameworks, MAs are reported to undertake 58 per cent of tasks at the start of their MA, rising to 89 per cent on completion.

Figure 7.3: Proportion of tasks that a MA is able to complete
Figure 7.4: Proportion of tasks that a MA is able to complete (Framework)
8. Views on Reasons for Non-Completion

The survey sought employers’ views on the reasons why some MAs do not complete their apprenticeship (Figure 8.1). This was also a question that we asked of MAs in a separate study. Overall, 35 per cent of employers had experienced at least one MA not complete their apprenticeship on their assigned framework and level at some point in time.

- The most frequent reason given by employers (34 per cent) was that MAs who did not complete had a poor attitude or were not interested. A similar proportion reported this in 2012 (29 per cent).
- One fifth (21 per cent) of employers stated that some MAs left for personal reasons not connected to MA training, for example family or health reasons.
- A further 19 per cent of employers said that MAs had left to move into a new industry.

Figure 8.1: Reasons for Non-Completion

- Poor attitude / not interested: 34%
- They left for personal reasons (e.g. health / family): 21%
- They left to move into a new industry: 19%
- They left to take up better paid work elsewhere: 11%
- Coursework was too difficult for them: 6%
- Were not suitable / lacked the ability to do the job: 4%
- Coursework was more time-consuming than expected: 4%
- They decided it wasn’t for them: 3%
- They did not get sufficient support from the provider: 3%

NB Only responses 3% or above are shown.
Base (un-weighted): All employers who have had MAs not complete the programme (903)

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http://www.researchonline.org.uk/sds/search/download.do?ref=B29740
Preventing MA Non-completion

- Employers were asked what actions they felt they could have taken to prevent MAs failing to complete their training (Figure 8.2).
- Most employers (67 per cent) felt that there was nothing that they could have done and 12 per cent were not sure what they could have done.
- Of the remaining employers, eight per cent said that they could have provided better or more support to the MA and five per cent said that the MA shouldn’t have passed the interview process.
- The findings show very few changes from the 2012 results.

Figure 8.2: Preventing Non-Completion

- Nothing: 67%
- Not sure what they could have done: 12%
- Provide better support to the apprentice: 8%
- The MA shouldn’t have got through the interview process: 5%
- Offer a more competitive salary: 4%
- Make the job more attractive to them: 2%
- Make the requirements of the programmer clearer: 2%

NB Only responses 2% or above are shown
Base (un-weighted): All employers who have had MAs not complete the programme (903)
9. Future Plans and Intentions

The vast majority of employers surveyed would recommend MAs if asked by another employer in their industry sector.

• A total of 89 per cent of employers would recommend MAs. This is a significant increase in the 2012 figure of 82 per cent. 52 per cent said that they would strongly recommend MAs, and a further 37 per cent said that they would generally recommend MAs.

• 10 per cent of employers said they would be neutral about MAs, and a further one per cent would advise against them.

Future Plans

• A sizeable majority of employers (89 per cent) plan to continue with MAs, up from 83 per cent in 2012. Seven per cent intend to stop offering them, significantly down from 13 per cent in 2012, and four per cent were not sure.

• Of those employers who plan to continue offering MAs or are unsure, 69 per cent expect the number to remain the same. Since 2012, the proportion expecting to increase their number of MAs has increased from 19 per cent to 24 per cent, and the proportion expecting to decrease numbers has fallen from nine per cent to five per cent (Figure 9.1).

Figure 9.1: Future Plans and Propensity to Recommend

Employers who said they planned to continue offering MAs or were not sure, were asked what would encourage them to take on more MAs.

• The most common response (Figure 9.2) given by these employers was for more financial support (28 per cent) or business growth (16 per cent).

• Only a relatively small minority mentioned more relevant training or a better level of service or support from the provider.
Figure 9.2: What would encourage employers to take on more MAs

- More financial support: 28%
- Business growth: 16%
- Better calibre of individuals taking up MAs: 8%
- More relevant training: 6%
- Better service or support form the training provider: 5%

Base (un-weighted): All employers who plan to continue offering MAs, or who are unsure (2,322)
# Annex A – Profile of Survey Respondents

<table>
<thead>
<tr>
<th>Framework</th>
<th>Number</th>
<th>Confidence Interval (+/- %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitality</td>
<td>232</td>
<td>6.11</td>
</tr>
<tr>
<td>Retail</td>
<td>193</td>
<td>6.64</td>
</tr>
<tr>
<td>Business and Administration</td>
<td>226</td>
<td>6.06</td>
</tr>
<tr>
<td>Construction</td>
<td>190</td>
<td>6.65</td>
</tr>
<tr>
<td>Hairdressing and Barbering</td>
<td>216</td>
<td>6.12</td>
</tr>
<tr>
<td>Automotive</td>
<td>190</td>
<td>6.55</td>
</tr>
<tr>
<td>Social Services and Healthcare</td>
<td>165</td>
<td>6.95</td>
</tr>
<tr>
<td>Management</td>
<td>106</td>
<td>8.90</td>
</tr>
<tr>
<td>Freight Logistics</td>
<td>87</td>
<td>9.9</td>
</tr>
<tr>
<td>Social Services (Children and Young People)</td>
<td>194</td>
<td>6.08</td>
</tr>
<tr>
<td>Engineering</td>
<td>145</td>
<td>7.28</td>
</tr>
<tr>
<td>Electrical Installation</td>
<td>99</td>
<td>9.10</td>
</tr>
<tr>
<td>Plumbing</td>
<td>52</td>
<td>12.87</td>
</tr>
<tr>
<td>Food and Drink Operations</td>
<td>82</td>
<td>9.80</td>
</tr>
<tr>
<td>Customer Services</td>
<td>60</td>
<td>11.78</td>
</tr>
<tr>
<td>Other construction / manufacturing / engineering</td>
<td>135</td>
<td>7.89</td>
</tr>
<tr>
<td>Other service industries</td>
<td>133</td>
<td>8.10</td>
</tr>
</tbody>
</table>
The maximum confidence interval is based on a finding of 50 per cent at the 95 per cent confidence level. That is, if our analysis finds that 50 per cent of all MA employers have a certain characteristic, then the 95 per cent confidence level for that estimate is 50 +/- 1.8 per cent. That is, we can be 95 per cent confident that the true value lies between 48 per cent and 52 per cent.

<table>
<thead>
<tr>
<th>Group</th>
<th>Number (n)</th>
<th>Max. confidence interval (+/- %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>2,505</td>
<td>1.82</td>
</tr>
<tr>
<td>All completers</td>
<td>1,546</td>
<td>2.32</td>
</tr>
<tr>
<td>Any non-completers</td>
<td>511</td>
<td>4.01</td>
</tr>
<tr>
<td>All non-completers</td>
<td>448</td>
<td>4.31</td>
</tr>
<tr>
<td>Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 2</td>
<td>776</td>
<td>3.28</td>
</tr>
<tr>
<td>Level 3</td>
<td>1,610</td>
<td>2.27</td>
</tr>
<tr>
<td>Level 4</td>
<td>109</td>
<td>8.66</td>
</tr>
<tr>
<td>Level 5</td>
<td>10</td>
<td>29.26</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-19</td>
<td>1,623</td>
<td>2.26</td>
</tr>
<tr>
<td>20-24</td>
<td>524</td>
<td>4.0</td>
</tr>
<tr>
<td>25+</td>
<td>358</td>
<td>4.82</td>
</tr>
<tr>
<td>Employer size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-9</td>
<td>781</td>
<td>3.51</td>
</tr>
<tr>
<td>10-24</td>
<td>711</td>
<td>3.68</td>
</tr>
<tr>
<td>25-99</td>
<td>683</td>
<td>3.75</td>
</tr>
<tr>
<td>100-249</td>
<td>163</td>
<td>7.68</td>
</tr>
<tr>
<td>250+</td>
<td>142</td>
<td>8.22</td>
</tr>
</tbody>
</table>
Annex B – Modern Apprenticeships in Scotland

Modern Apprenticeships are work based learning combining paid employment and training (for those aged over 16) to achieve industry qualifications at the level required for the job. They are geared towards helping new recruits or existing employees gain invaluable skills and industry recognised vocational qualifications and to develop the competence required to undertake their job role.

A variety of agencies are involved in the design, development and delivery of MAs in Scotland see figure B.1. Skills Development Scotland promotes and administers the public funding contribution for MAs on behalf of the Scottish Government. Each individual follows a Modern Apprenticeship Framework which is developed by the appropriate Sector Skills Council (SSC) in consultation with their industry. Training Providers, Colleges, Local Authorities, Third sector Organisations and Employers train and assess the competence of the apprentices.
Annex C – Non Participating Employers

To complement the findings from the survey of MA employers, a separate analysis was commissioned, drawing on the UK Commission for Employment and Skills Employer Perspectives Survey. The Employer Perspectives Survey is a UK-wide survey gathering the views of 18,000 employers across the UK. It provides a picture of how employers are meeting their skills needs, looking both at their engagement with skills and employment services and their broader approaches to people development. The survey and analysis for the UK Employer Perspectives Survey was conducted by an independent market research company, IFF.

This report draws on a sub-sample of 4,000 employers (3,300 not offering MAs) in Scotland analysed specifically for this report by IFF Ltd. The results presented in this section are statistically robust, in other words the results from the sample are not significantly different from the population of employers in Scotland as a whole.

Who Offers Apprenticeships

- Of the employers sampled, 12 per cent offered MAs, 2 per cent offered informal apprenticeships and 86 per cent did not offer any apprenticeship.
- Because of the shape of the employer population, most employers who offer MAs are small, with fewer than ten employees. However, proportionately, larger employers are much more likely to offer MAs – 44 per cent of larger employers offer MAs compared with only 7 per cent of the smallest employers (Figure C.1).
- There is no change from the 2012 EPS results in the type of employers who offer MAs overall or within sectors or sizebands.

Figure C.1. Proportion of Employers Offering MAs by Size

Base (un-weighted): All establishments (4,015), 2 – 4 employees (879), 5 – 9 (984), 10 – 24 (930), 25 – 99 (894), 100+ (328)
The uptake of MAs is highest in the Construction and Manufacturing sectors, although Trade, accommodation and transport and Business and other services account for the largest number of total employers offering MAs (Figure C.2).

Figure C.2. Proportion of Employers Offering MAs by Sector

- Non-market: 16%
- Business and other: 10%
- Trade, accom., transport: 11%
- Construction: 24%
- Manufacturing: 23%
- Primary sector, utilities: 7%

Base (un-weighted): Primary sector & utilities (293), Manufacturing (202), Construction (263), Wholesale & retail (825), Hotels & restaurants (415), Transport, storage & comms. (217), Financial (67), Business (613), Public admin. (124), Education (186) Health and Social Work (543), Community (267)

Knowledge of MAs and Related Organisations

Most employers who don’t offer MAs claim to know something about them, although how much they know varies by sector (Figure C.3).

- Overall 31 per cent of non-participating employers claim a very good/very good knowledge of MAs and a further 47 per cent claim some knowledge of MAs – therefore 78 per cent of employers state that they have at least some knowledge of MAs.

- The construction sector has the highest proportion of non-participating employers claiming knowledge of MAs: 49 per cent say they have a (very) good knowledge and a further 36 per cent say they have a good knowledge – therefore 85 per cent claim at least some knowledge.

- The primary and utilities sector has the lowest proportion of non-participating employers claiming knowledge of MAs: 23 per cent say they have a (very) good knowledge and a further 53 per cent say they have a good knowledge – therefore 75 per cent claim at least some knowledge.
The level of knowledge about organisations and initiatives related to MAs was in general lower among non-participating employers, although not always markedly so (Figure C.4).

- 58 per cent of non-participating employers were aware of SDS, as opposed to 69 per cent of participating employers who offer apprentices.
- 11 per cent of both non-participating and participating employers were aware of Group Training Associations.
- 10 per cent of non-participating employers were aware of Adopt an Apprentice, as opposed to 9 per cent of participating employers.
- In the case of Technical and Professional Apprenticeships, slightly higher proportions of non-participating employers were aware of these initiatives than participating employers.
Figure C.4. Levels of knowledge about organisations and initiatives related to MAs

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Offer MAs</th>
<th>Do not offer MAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern Apprenticeships</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Skills Development Scotland</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Advanced Level Apprenticeships</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>Technical Apprenticeships</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Intermediate Level Apprenticeships</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Apprenticeships for those aged 25 plus</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Higher Apprenticeships</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>Professional Apprenticeships</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Group Training Associations</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Adopt an Apprentice</td>
<td>10%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Base (un-weighted): All establishments offering Modern Apprenticeships (715); All establishments not offering Modern Apprenticeships, or not sure if offering Apprenticeships (3,300)

Activities Undertaken

Generally, employers who are engaged in other training activities or initiatives are much more likely to offer Modern Apprenticeships (Figure C5)

- 29 per cent of employers who fund VQs also offer MAs; 8 per cent who do not fund VQs offer MAs.
- Those employers offering MAs are also much more likely to have taken external advice in skills and training and to have offered work experience.
- Also, among those employers recruiting in the last 12 months, those participating in MAs are more likely to offer training in general.

Figure C5: Other activities carried out by employers who offer MAs
Barriers to offering MAs

MA Employer Survey 2015 | Final

Base (un-weighted): All establishments (4,015)
Non-participating employers were asked why they did not currently offer MAs. The UKCES Employer Perspectives Survey classified barriers as structural, active choice and lack of awareness. Structural barriers were found to be the most significant (Figure C.6) with 57 per cent of non-participating employers reporting a structural barrier, such as non-availability for their industry or cost, to offering MAs.

Figure C.6. Barriers to Offering Apprenticeships among Non-Participating Employers

- **Perceived structural barriers**:
  - Not suitable due to size of establishment: 18%
  - Recruitment freeze / not recruiting: 14%
  - Apprenticeships are not offered for our industry: 13%
  - Cannot currently afford to: 9%
  - Do not have time to train them: 4%
  - No need as all staff are fully skilled: 13%
  - Does not suit our business model: 7%
  - Prefer to recruit experienced staff: 6%
  - Prefer other forms of training: 4%
  - Past Apprentices were of a poor standard: 1%
  - Never have before so not considered it: 5%
  - No-one has enquired about doing one: 3%
  - Do not know enough about them: 2%
  - Not aware of Apprenticeships: 2%

*Base (un-weighted): All establishments not offering any type of apprenticeship (3,204)*
*Note: Multiple responses allowed; ‘Don’t know’ and ‘No particular reason’ responses not shown*
Non-participating employers were asked if they planned to offer MAs in the future and a sizeable minority (20 per cent) answered positively (Figure C.7). There is no significant changes since 2012.

**Figure C.7: Non-participating Employers who plan to offer apprenticeships in the future**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2014</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>All sectors</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Primary sector and utilities</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>Construction</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Trade, accommodation &amp; transport</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Business &amp; other services</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Non-market services</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>