Chapter 3. Developing work-based learning in England

This chapter looks at training delivered by and through the employer, and therefore primarily in the workplace. In England, training in the workplace is not systematic and subject to little quality assurance. In many apprenticeship systems training provided by employers in the workplace goes beyond training provided as part of the off-the-job training in England. The strategic objective should be to re-establish work-based training as a quality-assured and central attribute of English apprenticeships. Since work-based learning is the most effective way of preparing apprentices for working life, employers should be encouraged to take more responsibility for training in work places. This can be achieved by introducing regulations and standards for work-based learning, and by investing in the training capacity of employers.
Introduction: Key elements of apprenticeships

Work-based learning has been a defining feature of apprenticeships for millennia

This chapter is about work-based learning and work-based training in apprenticeship, meaning the learning and training delivered by and through the employer, and therefore primarily at work and in the workplace. In most countries and over most of recorded history, employer-provided work-based learning and training has been central to our understanding of apprenticeship. As far back as Babylonian times, apprenticeship has involved a contractual relationship between an employer-master-teacher and a worker-trainee, with the employer-master-teacher having the obligation to provide training, and the worker-trainee having the obligation to work (see Kedar, n.d.). This is reflected, for example, in the Oxford English Dictionary definition of an apprentice as "one who is bound by legal agreement to serve an employer in the exercise of some handicraft, art, trade, or profession, for a certain number of years, with a view to learn its details and duties, in which the employer is reciprocally bound to instruct him" (Oxford English Dictionary, 1979). Today, the same principle is found, for example in modern German apprenticeships, where all employers taking apprentices are described as 'training employers', since taking on an apprentice involves meeting a set of requirements to offer training (see, for example EU, 2017). Similarly in Norway employers offering apprenticeships have to be approved as 'training organisations'.

Work-based learning is a vital element in high-quality apprenticeships.

The workplace is a powerful learning environment, allowing hard skills to be learnt on the latest equipment, under the guidance and supervision of the practitioners who know how to use the equipment, while soft skills like teamwork and negotiation are acquired in context following the example of experienced professionals with these skills. It is no accident that this central defining feature of apprenticeship has allowed apprenticeship to maintain its status over millennia. External training providers inevitably find it difficult to keep up to date with technological and other change in the workplace, and teaching occupational skills in school workshops is often expensive because of the high cost of equipment. A Danish study (Westergaard and Rasmussen, 1999) compared the cost of apprenticeships, including subsidies to employers for provision of the on-the-job training, with the cost of apprenticeships provided entirely in schools. In the school-based apprenticeship, apprentices were receiving training, they would otherwise have received with employers, in school workshops. The study found the cost of the school-based apprenticeship was five times higher than the cost of apprenticeship with a work placement, even with the subsidy included. (see Kuczera, 2016 for more information on the benefits of work-based learning).

Policy issue 3.1: Developing work-based learning

Challenge: apprenticeship regulation does not currently provide adequate support for work-based development

In England, third-party training has supplanted work-based learning requirements

As apprenticeship has evolved historically in different countries, the longstanding obligation on an employer to provide instruction, was augmented by training and education provided by schools, colleges and other third-party training providers, forms of learning which provide a key complement to work-based learning. In most countries this additional element did not supplant the obligation on employers to provide training, and these
employers were still required to provide effective training and an effective learning environment in the workplace. Many examples of these requirements on employers are given later in this chapter. In England, unusually, such obligations on employers appear to have been almost wholly supplanted by the expectations which fall on third-party training providers, including employers who are registered training providers or declared subcontractors (see Box 1.2 for the definition of off-the-job training in England). Many of the strongest English apprenticeships continue to offer training by the teacher-practitioner-employer that is not part of the ‘off-the-job’ training, but training in the workplace is not systematic and lacking quality assurance. In many apprenticeship systems training provided by employers in the workplace goes beyond training provided as part of the ‘off-the-job’ training in England.

**Regulation is directed towards off-the-job training eligible for funding**

In England, the primary focus of regulation and quality assurance is funded training. Only ‘off-the-job’ training, provided by a registered training provider, is eligible for funding. Such off-the-job training “involves learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship. This can include training that is delivered at the apprentice’s normal place of work but must not be delivered as part of their normal working duties (Skills Funding Agency, 2017).” English and Maths are funded separately. Some of this ‘off-the-job’ training, eligible for funding in England, might be work-based learning. Employers can register as training providers and train their own staff. Some of the ‘off-the-job’ training provided can be subcontracted to employers by training providers and delivered in the workplace. Many employers clearly do provide work-based learning to apprentices that is not part of the off-the-job element, even though it is not directly funded through the levy or, in the past, by the government. But these are all possibilities rather than obligations on employers. In England, regulation of employers providing apprenticeships is limited: apprenticeship must be offered in jobs, called ‘genuine jobs’, providing apprentices with the opportunity to gain the knowledge, skills and behaviours needed to achieve apprenticeship (see Skills Funding Agency, 2017 for the description of ‘genuine job’). But this requirement bears simply on the job role. There are effectively no other regulations on employers in respect of any training that they deliver, unless, as described above, they are employer-providers or subcontractors.

**This lack of focus on work-based learning is a weakness**

This approach distances English apprenticeship from employer training obligations, a core characteristic of apprenticeships that was visible in English apprenticeships for many centuries, that is even visible in the dictionary definition of apprenticeship, and remains visible in the apprenticeship systems of many other countries. Since work-based learning is highly desirable, this is a major challenge.

**There would be real implementation challenges in requiring work-based learning**

It is recognised that, if accepted as a goal, the development of work-based learning raises many challenges of implementation. First, employers, newly burdened with the levy, may not take kindly to additional obligations. Second, much policy attention is being given to ensuring the quality of the ‘off-the-job training. This is understandable as in the past securing adequate off-the-job training in apprenticeships was a challenge. (Fuller and Unwin, 2008) report that many apprenticeships did not lead to the development of new skills and, in 2015 around one in five apprentices did not receive formal training, either within the workplace or at an external provider (Department for Education, 2016).
But the strategic objective should be to re-establish work-based training as a key characteristic of apprenticeships

These tactical obstacles, real as they are, should not stand in the way of a key strategic objective, of re-establishing employer-delivered work-based training as a central characteristic of English apprenticeship, an achievement which will be a necessary condition of England realising world class apprenticeships. This issue also goes to the broader ambitions embodied in the introduction of the apprenticeship levy, apprenticeship reform, and the target of three million starts. Since, as discussed at various points in this report, these ambitions will involve a substantial element of restructuring of other forms of human capital development into apprenticeship, this will only represent an achievement if the apprenticeships realised can demonstrate the highest quality. Moreover, as explained in this chapter, in the absence of more regulation of the employer role, there is a real risk that a significant proportion of apprenticeships will involve the exploitation of apprentices as unskilled labour.

Policy pointer 3.1: Developing work-based learning

As an integrated combination of external education and training and work-based learning is the most effective way of preparing apprentices for working life, employers should be encouraged to take more responsibility for work-based learning.

This can be achieved by introducing regulations and standards for work-based learning, and by investing in the training capacity of employers.

This may involve:

- Clarifying and strengthening, within the apprenticeship standards, what is expected of employers (as opposed to what is expected of training providers) in terms of work-based development that goes beyond the funded off-the-job training element. Work-based training should not only be fundable in principle, but encouraged or mandated systematically in all apprenticeships.
- Developing training for employer based supervisors of apprentices as part of a broader process of upgrading and professionalising work-based learning.
- Enhancing collaboration between training providers and employers, with training providers not only providing guidance to students in the workplace, but also providing guidance to workplace supervisors of apprentices over how practices at work can assist learning, and how productive work, linked to structured feedback on performance, can blend work and learning.
- Through active enforcement of standards on employers, ensuring that apprenticeship is not used to exploit apprentices as unskilled labour.
- Enforcing rigorously the existing minimum wage requirements for apprentices.

Analysis: Standards for work-based learning

Standards define the training responsibilities of employers

'Work-based learning standards' are regulations defining the competencies that should be developed in apprentices by employers through work-based learning, and other supporting regulations bearing on how that work-based learning should be delivered, such as those requiring relevant qualifications of apprentice supervisors. This type of apprenticeship regulation can be found in German speaking countries, in the Netherlands, Denmark and Norway Canada and Australia. For example, in Switzerland, there are requirements in terms
of qualifications and training of apprentices’ instructors in the employer, and how and where specific skills should be developed (see plan de formation at Confédération Suisse, 2018). In the Netherlands, a company offering apprenticeships must be accredited. The accreditation criteria require that supervisors working with apprentices are appropriately trained and qualified; the company offers sufficient training opportunities allowing apprentices to develop skills and competencies as defined in the curriculum; the company collaborates with the school providing off-the-job education and training, and the work environment is safe for apprentices (ECBO, 2016: 15-16). In Canada, employers are required to identify a certified journeyperson to supervise the apprentice (Canadian Apprenticeship Forum, 2017). Sometimes regulations are looser. In Australia apprentices are regular employees and the challenge is to ensure that apprentices receive training in addition to tasks performed within the framework of their regular job. Some Australian states tackle this issue by requiring people supervising apprentices to be qualified for this task. Training in the work place is also to some extent supervised and overviewed by the Registered Training Organisation (equivalent of registered training providers in England) (Queensland Government, 2018).

A diversity of approaches support the work-based learning capacity of employers

Some employers may not feel able to train apprentices, and some are better than others at conducting training on the job (see for example Kis, 2016). Training capacity depends on the quality of trainers, training methods and training equipment, and is typically less well developed in small companies that do not have dedicated training arrangements. Small companies may therefore particularly benefit from measures designed to enhance training capacity, such as training for trainers. Governments can enhance the training capacity of firms through a wide range of tools that include the provision of training for apprentice instructors; offering support materials to firms to help them develop their training skills; and facilitating networking among employers to share knowledge and experience on how best to support, develop and make use of apprentices. For example, Switzerland, in addition to formal requirements, provides in the QualiCarte a checklist of 28 quality criteria that are used by companies for self-assessment (OECD, 2010). Within the English context, a recent guide prepared by the Chartered Institute of Personnel and Development (CIPD) offers a range of advice to employers on best practice in mentoring and developing apprentices – but it is almost entirely voluntary (CIPD, 2017).

Analysis: Requirements for employees mentoring apprentices are an important element of work-based learning regulations

New apprentices need support in the workplace

Those who supervise and guide apprentices in their workplaces have heavy responsibilities, especially when apprentices are young. New apprentices not only have to learn a range of formal skills, but also need to acquire a diverse set of soft skills, in terms of how they work with colleagues, relate to their boss, communicate with customers and sometimes handle conflict. Young apprentices are also learning how to deal with life in the workplace, and may also, as teenagers transitioning to adulthood, have to tackle personal problems that may include issues like drug and alcohol abuse. In Switzerland, the full range of these issues is covered by the mandatory training courses for apprentice supervisors (see Box 3.1). Any one of these issues, if not well handled, could lead to the apprentice dropping out. Young apprentices from disadvantaged or troubled backgrounds, as discussed in Chapter 6, may face particular challenges. While, in England, employers taking young
apprentices receive an extra thousand pounds and are exempted from National Insurance partly in recognition of these issues, there are no formal obligations in return.

In England, workplace support for apprentices is vital

In England there are no requirements for apprentices’ instructors. But in practice this role, of guiding and supporting apprentices is a well-recognised and very important part of the strongest English apprenticeships, as emphasised by several apprentices and employers in evidence given to the parliamentary select committee (House of Commons, 2017). This led the select committee to recommend that, given growing numbers of apprenticeships, employers taking them on should "all have the knowledge and capacity to support and mentor these apprentices in the workplace". This recommendation is endorsed, and it should be implemented in practice through the development of regulatory standards.

In other countries, those guiding apprentices are often trained, and such training is sometimes mandatory

Box 3.1 describes requirements for employees who supervise apprentices; sometimes pedagogical training for these supervisors – it is compulsory in Germany and Switzerland, and in some trades in Ontario Canada and optional in Norway. Supervisors of apprentices may also be required to have an appropriate qualification and/or extensive work experience in the relevant occupation. Evidence suggests that better prepared apprentice supervisors reduce dropout. In Germany, the temporary suspension of compulsory training for apprentice supervisors was associated with higher apprentice dropout rates and more complaints on behalf of companies about the performance of apprentices. In the light of this experience, mandatory training for apprentice supervisors was reintroduced in 2009 after a six-year suspension.

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**Box 3.1. Country examples of training for apprentice supervisors in the workplace**

In Canada, those who supervise apprentices must be qualified journeypersons. In Ontario in some trades supervisors need to have an additional qualification to train apprentices. The supervisor is expected to teach the required skills to the apprentice, regularly review with the apprentice their learning progress, and sign off on the relevant skills as they are learnt. Similarly in British Columbia, employers are responsible for teaching "the apprentice the skills of the trade by providing supervision and honest feedback from a certified journeyperson in the work environment".


In Germany, those who supervise apprentices (typically holders of an upper secondary qualification) have to pass the trainer aptitude exam, while those with an advanced VET qualification (e.g. master craftsperson) already fulfil the requirements, since master craftsperson programmes include this element (BIBB, 2009a).

In the trainer aptitude exam (Ausbildereignungsprüfung), candidates demonstrate their ability to assess educational needs, plan and prepare training, assist in the recruitment of apprentices, deliver training and prepare the apprentice to complete their training (BIBB, 2009a). To prepare for the exam, candidates typically attend “Training for trainer” courses (Ausbildung für Ausbilder). These preparatory courses are provided by the chambers of commerce and normally last for 115 hours (BIBB, 2009b). Average costs are EUR 180 for
the exam and up to EUR 420 for the preparatory course. Candidates may be supported by their employers and can seek financial support from the State through schemes such as the training credit (Bildungsprämie) (TA Bildungszentrum, 2015).


In Norway, optional training is offered to employees involved in supervising apprentices. Some counties provide the training themselves, others ask schools or training offices (which are owned by companies collectively) to ensure its provision. The courses are free to participants since counties provide the course, learning material, subsistence and travel expenses. However, the firm is responsible for the supervisor’s pay during the course.

Typically, the duration of the training is two days (or four half days) per year. Often there is a time interval between each training session, so that supervisors may practice what they have learnt and prepare a report, which is then presented at the next session. National guidelines, developed in co-operation with VET teacher training institutions, are available on the Internet and can be adapted to local needs. The form of training typically includes role-play and practice. Supervisors learn to cover the curriculum, complete evaluation procedures and administrative forms, prepare a training plan for apprentices, and follow through the plan.


In Switzerland, apprentice supervisors are required to complete a targeted training programme, in addition to having a vocational qualification and at least two years of relevant work experience. Cantons are in charge of training, either by offering courses themselves or by delegating them to accredited training providers. They also subsidise these courses, which are offered in two formats leading to different qualifications (40 hour course costing SFR 600 or 100 hour course costing SFR 2,300). The training courses cover information about the Swiss VET system, vocational pedagogy and how to handle potential problems that may arise with young people (e.g. drugs, alcohol).


Analysis: Work-based Learning as a means of preventing the exploitation of apprentices

Regulation is necessary to ensure that employers provide apprentices with real opportunities to learn skills

There is nothing wrong with employers benefitting from the work of apprentices if low wages are compensated by an employer contribution to their training. As shown in Chapter 2, in many countries apprentice wages are kept below the wage of an unskilled employee, but individuals accept this cost if apprenticeship develops skills and competences associated with better employment and career opportunities. Conversely, if the motivation of employers is to use apprentices as a source of cheap unskilled labour,
then it is much less likely that they will provide the environment required to learn a skilled job. Regulations and standards for training apprentices in the workplace provide a guarantee to apprentices that their willingness to work for low wages is worthwhile. They need to ensure that apprentices have an opportunity to develop a wide range of skills with the employer providing apprenticeship, and that they receive instruction and carry out skilled, as well as unskilled work. Two questions arise for England. Do employers have incentives to use apprentices as unskilled labour? Does regulation prevent this outcome?

**Do employers have incentives to use apprentices as unskilled workers?**

Using apprentices solely as unskilled labour requires little investment from employers but yields benefits associated with the productive unskilled work carried out by the apprentice. This issue is common to apprenticeship countries. Simulations based on cost-benefit surveys show that a Swiss employer could increase their net benefits by an average of EUR 22 000 per apprentice over the period of an apprenticeship if the apprentices performed only unskilled tasks while in the workplace (Wolter and Ryan, 2011 in Muehlemann, 2016). Employers do not take advantage of this possibility in practice because of regulation. In England, employers will have incentives to substitute apprentices for unskilled workers if the costs of an apprentice are less than those of employing an unskilled worker, which is the case, as shown in Box 3.2. For example, for levy-paying employers, an apprentice at any wage below GBP 6 or below 80% of the minimum national wage would cost less than employing a worker at the national minimum wage (GBP 7.50). Drawing on 2013 data, around one-third of apprentices were paid 80% of the national minimum wage or less (BIS, 2014). For this group, there is a risk that employers may have taken them on simply as the cheapest available source of unskilled labour. This comparison does not take into account the fact that employers with apprentices below the age of 25 are exempted from the National Insurance contribution amounting to 12% of the earning between GBP 157-GBP 866 per week (GOV.UK, 2018). Some small employers may also receive additional payments for taking on apprentices for the first time.

**Box 3.2. Cost of an apprentice as compared to the cost of an unskilled worker (assuming minimum wages in both cases)**

It is assumed the apprentice is 18 and above and is enrolled in an apprenticeship lasting one year. The cost of apprenticeship includes the apprentices wage cost (GBP 3.5 per hour) adjusted for the fact that apprentices spend 20% of their time off-the-job while being paid (www.gov.uk/national-minimum-wage-rates). Non-levy-paying employers’ contribution of 10% of the programme cost is estimated as 10% of the average cost, (see funding bands at www.gov.uk/government/publications/apprenticeship-funding-bands).

<table>
<thead>
<tr>
<th>Levied employers: GBP 175</th>
<th>Weekly (40 working hours) cost of an unskilled worker receiving the national minimum wage for their age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-levied employers: GBP 202 (GBP 175 + 10% of the cost of the programme)</td>
<td>Aged 25 and over: GBP 300</td>
</tr>
<tr>
<td></td>
<td>Aged 21-24: GBP 282</td>
</tr>
<tr>
<td></td>
<td>Aged 18-20: GBP 224</td>
</tr>
</tbody>
</table>

**Note:** An apprentice in the first year of apprenticeship has a minimum wage of GBP 3.50, as compared to the GBP 7.50 minimum wage generally applicable. It is assumed there are 40 working hours in a week.

Regulation of apprentice jobs in England may not be sufficient to prevent exploitation

In principle, the use of apprentices as cheap labour might be prevented by the rule, mentioned earlier, that the apprentice "must have a job role (or roles) within the organisation that provides the opportunity for them to gain the knowledge, skills and behaviours needed to achieve their apprenticeship" (SFA, 2017). But enforcing this rule will be hard. Most job roles involve a mix of skilled and unskilled tasks, and learning opportunities require a reasonable proportion of apprentice time devoted to the skilled tasks. A job description might therefore meet the ESFA requirement in principle, but fail it in practice because inadequate apprentice time is spent in training and on skilled tasks. Some apprenticeship systems require employers of apprentices to log workplace activities – for example Canada requires employers to keep logs of on-the-job training and the type of work undertaken by apprentices (Canadian Apprenticeship Forum, 2017). More broadly, when most quality assurance is directed at the training provider, as in England, rather than employers in respect of their responsibilities (as in many other countries) enforcing this type of rule is bound to be difficult. In other countries requirements on the employers of apprentices cover not only the job role, but also their whole experience on the job, and the responsibilities of the employer to deliver workplace development.

With the introduction of the apprenticeship levy the ESFA published new funding rules for employers, employer-providers, and training providers. These rules provide some additional quality control mechanisms by, for example defining the 20% off-the-job training requirement and clarifying employer and training provider obligations. However, it is clear that the majority of quality assurance and reporting measures continue to be directed at the training provider. The situation in England would be improved if (a) the commitment statement were strengthened by setting out the employers’ obligations for developing the apprentices while in work; and (b) through a more robust regime for monitoring training delivery.

Nearly one in five apprentices are paid less than the legally required apprentice minimum wage

The most recent apprentice survey found that nearly one in five (18%) of apprentices (Level 2 and 3) are paid wages below the legally required minimum. Among those aged 16-18 or in the first year of apprenticeship 13% were paid below the legal minimum (the minimum hourly apprentice wage for this group in 2016 was GBP 3.40 as compared to GBP 7.20 for those aged 25 and over). But among those aged 19 and over and in the second year of apprenticeship around one-third were paid below the legal minimum (BEIS, 2017). Among hairdressing apprentices about half receive wages below the legal minimum. Enforcement of minimum wages, according to the government official responsible, has been 'patchy' (Guardian, 2017). This is a serious problem, because it is widespread, it amounts to unlawful exploitation and this type of exploitation tends to stigmatise the whole apprentice brand.

A regulatory requirement for work-based learning would reduce the risk of exploitation

In conclusion, there is reason to suppose that the regulatory structure of apprenticeship leaves apprentices open to exploitation as cheap unskilled labour, and the large number of apprentices already being paid below the legal minimum reinforces this concern. The answer should be to make clear, enforceable demands on employers of apprentices to provide work-based training in a job role that supports such training. This requires a new approach to regulation, over and above the traditional regulation of funded training delivered by a registered provider.
References


