

The apprenticeship levy has caused many organisations to reframe their future talent planning. We take a look at new research that explores what this could mean for the future of graduate recruitment.

Do apprenticeships sound the **death knell** for graduate recruitment?

Since the introduction of the apprenticeship levy more organisations have been experimenting with this often overlooked entry point. In particular, I'm becoming increasingly aware of the shift away from traditional graduate programmes towards degree apprenticeships.

Regularly the conversation turns to the future of securing a more skilled and loyal workforce, and the best way to achieve this. My view is that degree apprenticeships can offer a sound solution and

many industry-leading businesses share this opinion. To find out more about the changing landscape we commissioned a piece of research.

The aim was to determine whether traditional graduate recruitment is on the wane. The results confirmed that degree apprenticeships are a key element in building a pipeline of talent for future-thinking organisations.



Rowena Bach
Entry level talent
director, TMP/
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Thriving apprenticeships

Apprenticeship degrees are generating quite a buzz amongst those who have dipped their toes in the water. The majority (93%) of respondents continue to reap the benefits of apprenticeships within their organisations with 44% significantly increasing their apprenticeship intake in the last two years.

More than half (59%) of respondents to our research said they are either already running or intending to run degree apprenticeships with 7% simultaneously decreasing their graduate intake. Furthermore, with many apprenticeship schemes ‘maturing’ in 2021 (or thereabouts) it is entirely possible that those figures will increase once organisations have confirmed the value of apprenticeship schemes.

The growth in apprenticeships programmes leads to the inevitable question of what will happen to graduate recruitment if degree apprenticeships continue to develop at this pace?

Based on our survey, it appears that degree apprenticeships could replace graduate programmes that pre-exist. When companies don't have degree apprenticeships, there's less indication that they will eventually replace graduate programmes.

It's results like these that act as a great reminder that while the market remains buoyant, the business world needs to be ready to move with current trends and demands. Degree-quality students who are considering their options may well be tempted by the prospect of high-quality opportunities to secure on-the-job experience while obtaining their qualifications.

This is something that I have witnessed within my work. Degree apprenticeships are steadily gaining popularity with many organisations. Indeed, 31% of respondents said they were planning new schemes for the coming 12 months, 12% said they would like to consider their options and a further 39% said they would be continuing with the schemes they already have in place. Graduate programmes meanwhile are stalling in popularity, with 71% of organisations saying they wouldn't be introducing new graduate programmes in the coming year. So while there will almost certainly be fewer graduate programmes, there will also be more degree apprentices.

Value of degree apprentices

The appeal of bringing fresh talent into an organisation is something that we see on a daily basis. From first-hand experience, we appreciate the energy and innovation that entry level talent can bring to an organisation. We work with everyone from government departments to not-for-profit healthcare providers, and the move away from ‘traditional’ graduate career paths towards a more flexible and agile way of working is gaining momentum.

The research presented us with the interesting fact that of those who have a degree apprenticeship scheme, 54% have had internal conversations about the benefits of bringing this type of talent into the business. But while they shared the opinion that the apprentices were adding value to the business, they held a wide range of views as to what specifically that value was.

Some organisations valued apprenticeships as they could ensure existing and new staff were more highly-qualified. Other businesses valued the fact that apprentices could be trained in the company's specific ways of working and to meet their business needs. The cost-effectiveness of apprentices versus graduates was also a key consideration when linked to decreased spend on training and onboarding. Some respondents also indicated that their apprentices were more likely to remain loyal to the business. Fulfilling corporate social responsibility objectives was also important to respondents, acknowledging that apprentices were adding diversity to their business.

Of course, graduates will always have their place in the workforce. Some employers commented on the need for a mix of near work-ready graduates alongside apprentices who will be prepared for whatever the future holds. But as apprenticeship schemes that started following the introduction of the Apprenticeship Levy in April 2017 reach maturity around 2021, will we see a tipping point? And as apprentices prove their value in the workplace, will there be less need to recruit graduates? I strongly suspect we will see that happen.

The only question that remains is whether the business world is ready to respond to such a transition. And I for one am excited to see how our clients will respond to this fascinating challenge.

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