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Barriers and facilitators of apprenticeships amongst small-to-medium enterprises in the UK

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The number of people starting an apprenticeship has declined significantly since 2015/16 and young people from disadvantaged backgrounds are less likely to gain an apprenticeship place, and complete it when they do, than their more privileged peers.² A third of young people rated the availability of local apprenticeships negatively in 2022.³

Small-to-medium enterprises (SMEs) are key to making apprenticeships more accessible across the country as they are often located in 'social mobility coldspots'.⁴ Young people from more deprived postcodes are more likely than more privileged peers to do their apprenticeship at a small or medium employer.⁵ Existing research has identified many different barriers for SMEs but has not looked at how these might differ according to SMEs' geographical characteristics. This is important to know to design effective solutions that will result in more equitable apprenticeship opportunities across the UK.

On this basis, this paper looks at the barriers that SMEs face to offering apprenticeships, focusing on how this varies by geography. We conducted an evidence review and contribute a new analysis of data from the Longitudinal Small Business Survey (LSBS).⁶ We provide these new insights using the COM-B model, a framework used to identify the causes of, and barriers to, behaviour. It was originally developed in reference to healthcare but since has been applied in a variety of settings.⁷ The model takes its name from the three important factors in behaviour ('B'): capability (psychological or physical abilities); opportunity (environmental or contextual factors); motivation (emotional responses, goals, reflective decisions). Our findings indicate that more detailed information about how apprenticeships work for the benefit of SMEs is needed and that SMEs would benefit from independent information brokers acting as a 'prompt' to action. We found that SMEs in rural and more deprived locations require additional support, whereas SMEs based in less deprived areas would benefit from information to tackle motivation-related barriers.

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1. The author is a Senior Research officer in the Employability and Careers directorate at Education Development Trust. Our working papers are commissioned and peer-reviewed by the EDT Research team.
 2. Department for Education (2022a); Social Mobility Commission (2021). DfE data indicates that 2021/22 saw an increase in starts compared to the previous academic year. However, this is only a slight reversal of a five-year trend with the number still remaining 160,170 starts behind the number in 2015/16.
 3. Youth Employment UK (2022)
 4. Social Mobility Commission (2021)
 5. Department for Education (2022b)
 6. For more information about the LSBS, see Department for Business, Energy & Industrial Strategy (2019a) and (2019b)
 7. See Michie, Van Stralen and West (2011)

Our approach

We conducted a review of UK-based studies published since 2012.⁸ We synthesised the evidence by employing the behavioural science framework of the COM-B model to differentiate between capability, opportunity and motivation-related barriers and facilitators across the literature.

We added our own secondary analysis of data from LSBS, an annual survey collected by the Department for Business, Energy and Industrial Strategy.⁹ We used 2018 data, as this collected the most detailed apprenticeship information. LSBS records respondents' broad geographical characteristics and, in our analysis, we looked at apprenticeship starts, intentions and barriers according to whether the SME was classed as:

- » urban/rural
- » in the 15% most deprived areas or not.



Key findings

In the LSBS data, the most common barrier was motivation (74%), followed by opportunity (21%) and capability (5%). The literature review suggested that capability in the form of detailed, SME-specific knowledge was limited.¹²

Training providers 'prompt' SMEs to think about apprenticeships but the competitive provider market can result in SME hesitancy to engage.¹³ Providers can be reluctant to approach rural SMEs due to this being less resource efficient than approaching urban counterparts.¹⁴ Rural SMEs were less likely to have had, and be open to the idea of, apprentices than urban SMEs and were more likely to say this was because they did not know how to get apprentices.

The time required to offer apprenticeships was the most common individual barrier, being particularly an issue for deprived-area SMEs. Deprived-area SMEs were also more likely than less-deprived-area SMEs to face opportunity and capability barriers. However, deprived-area SMEs hired more apprentices and were more open to the idea of doing so than less-deprived-area SMEs. SMEs in lesser deprived areas were more likely to report motivation barriers.

Geographical differences are small:

- » Barrier rankings are broadly similar.¹⁰
- » COM-B barrier proportions for urban/rural are very similar.¹¹

Despite this:

- » Urban, more-deprived-area SMEs are more open to apprenticeships.
- » Deprived-area SMEs face more capability/opportunity barriers than less deprived areas who face more motivational barriers.

8. Our narrative literature review was guided by three specific research questions: 1. What barriers to apprenticeships for SMEs has existing research identified? 2. To what extent do these barriers vary between different types of SMEs, especially in relation to geographical characteristics? 3. Which COM-B barrier group is the most frequently reported? To answer these, we searched, scanned and reviewed literature published since the Holt Review in 2012, as this was the first large review into SME barriers to apprenticeships in the UK.
9. The total sample size for the 2018 LSBS was 15,015 SMEs (represented by their owners/ Managing Directors or senior directors). In order to reduce response burden, the sample was divided into three cohorts and only cohort A were asked questions about apprenticeships, the sample size for which was 5,006. Data collection took place over the course of July 2018 to January 2019.
10. Urban and rural SMEs and most deprived and least deprived area SMEs had the same top four most frequently selected barriers and proportions were broadly similar, varying by three percentage points or fewer.
11. The proportions of urban and rural SMEs reporting capability and opportunity barriers were the same (5% and 23% respectively). There was only a 1 percentage point difference in motivation barriers (81% for rural and 82% for urban). The percentages across the barrier types for rural SMEs do not total 100% due to rounding.
12. Federation of Small Businesses (2016); IFF Research (2020a); IFF Research (2020b); IFF Research (2022); St Martin's Group (2021)
13. Holt (2012); Ofsted (2015)
14. Ibid.

Conclusions

We suggest that one of the reasons that capability is the least common barrier group is that SMEs will not know what they do not know and may attribute difficulties as being due to opportunity barriers. For example, the ability to tailor content was not well known about but perceiving apprenticeships as inflexible was common.

We found no difference in the COM-B barrier types according to whether an SME was rural or urban, indicating that deprivation is more of a differentiating factor. We found that when we consider deprivation as a spectrum (using groups) rather than a binary as above, there were no clear differences in barrier types. The only finding of note is the less deprived the area of the SME, the more frequently they selected difficulty paying apprentices.

Limitations and recommendations for future research

Geographical inequalities can be very localised.¹⁵ Looking at geographical inequalities through the broad lenses we have used here is a simplification of the overlapping, deep-seated differences that will exist between areas that SMEs are based within. By presenting new geographical insights that have not yet been explored, this research is a starting point. Further qualitative research is needed to complement this and unpick the geographical nuances. A survey that consistently allows businesses to select more than one response when naming their barriers could build on these findings.

Implications for policy and practice

- » There needs to be more, SME-specific, tailored information, advice and guidance.
- » There is a role for information brokers independent of providers to 'prompt' SMEs to action.
- » Rural SMEs require extra, targeted support.
- » SMEs in more deprived areas, although hiring more apprentices already, need support to tackle capability and opportunity barriers.
- » More apprenticeship opportunities in all areas will continue to reverse the trend of a fall in apprenticeship starts
- » SMEs in less deprived areas will require more support to deal with motivation and wage-related barriers.

SMEs in urban and more deprived locations were more likely than SMEs in rural and less deprived areas to have had, or plan to have, an apprentice and in fewer numbers. More deprived-area SMEs were more likely than less-deprived to face opportunity and capability barriers and the reverse was true for motivational barriers.



15. See Agrawal and Phillips (2020)

SMEs need tailored information

- » There may be circulation of incomplete/ inaccurate information amongst SMEs, resulting in a lack of knowledge of how to hire an apprentice or opting out due to difficulties.
- » Further guidance about how specific components work in the SME context is needed from an alternative source.

There is a role for independent information providers

- » Existing policies such as the creation of the Apprenticeship Training/Flexi-Job Apprenticeship Agencies have diversified information sources, but the majority of agencies involved recruit/manage apprentices or are providers competing for work.
- » There is need for organisations independent from training provision to broker this information support in a straightforward, objective manner as an alternative 'prompt' to action.

Provide extra support for rural SMEs

- » Support should be initially focused on rural SMEs.
- » Targets/incentives relating to this should reflect the fact that rural SMEs may be slower to offer apprenticeships.

Differentiate the type of support based on deprivation of area

- » Information support should be targeted to deprived-area SMEs, as well as offering continual support with apprentice recruitment and management.
- » For less deprived areas, information should demonstrate financial returns despite initial costs and wider benefits of apprenticeships (for example, increasing young people's opportunities) and businesses should receive help refining vacancy adverts to increase applications.



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