Guidance Framework

Support for companies, in particular SMEs, offering apprenticeships:

Seven guiding principles

Introduction

This paper presents the Guidance Framework ‘Support for companies, in particular SMEs, offering apprenticeships’. This Guidance Framework is part of a general framework, which includes the following themes:

1. support for companies providing apprenticeships, in particular SMEs (this Guidance Framework);
2. positive image of apprenticeships and improved career guidance;
3. national governance, regulatory framework and social partners' involvement; and
4. quality assurance in work-based learning.

The ET2020 Working Group on Vocational Education and Training (VET) has prepared this Guidance Framework based on input from the in-depth workshop ‘Support to companies with a focus on SMEs to take on apprenticeships’ held in Paris on 26-27 June 2014. Subsequently, draft versions of the Guidance Framework were discussed at a Webinar on 16 September 2014 and a Working Group meeting in Brussels on 17-18 November 2014.

The work of the Working Group responds to the objectives of Europe 2020, ET 2020, Rethinking Education, the Youth Employment Initiative, the Youth Guarantee as well as the European Alliance for Apprenticeships. The work also responds to the objectives set out in the Bruges Communiqué and will contribute to the Riga Objectives, notably to promote work-based learning in all its forms, involve companies, and stimulate innovation and entrepreneurship.

Young people in most EU Member States have been affected disproportionately hard by the recession and its aftermath. The youth unemployment rate in EU27 rose from 15% in February 2008 to 21.9% in November 2014. With a view to the rising youth unemployment, increasing work-based learning is regarded as a key policy tool to improve young peoples’ employability. The Council recommends that all young people under the age of 25 should receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education (Council of the European Union, 2013).
Work-based learning in the form of apprenticeships is seen as an important way to help young people make a smoother transition from school to work. Evidence has shown that countries with rigorous apprenticeship schemes, such as Germany, Austria, Denmark, Norway, the Netherlands and Switzerland, are the most successful in terms of facilitating school-to-work transitions. (EU-Commission, 2013 a).

**Aim and scope of the Guidance Framework**

The aim of this Guidance Framework is to help the Member States introduce or reform support for companies, in particular SMEs and micro enterprises, taking part in apprenticeship schemes. The definition of apprenticeships used in this framework must be distinguished from other forms of work-based learning, in particular traineeships or internships.

*Work-based learning (WBL) is an umbrella term*, which describes a set of learning programmes that include apprenticeships, traineeships and internships. WBL can be defined as acquisition of knowledge and skills through carrying out – and reflecting on – tasks in a vocational context in either the workplace or a VET institution.\(^1\)

An *apprenticeship* is associated with the dual corporate economic model. Apprenticeships are usually part of a VET training programme and are linked with employment contracts under a fully regulated structure. A *traineeship* typically lacks regulation or formal structures. Traineeships complement learning activities and provide practical experience but are not necessarily accredited or paid. An *internship* is a concept borrowed from the USA and is applied to a wide range of learning opportunities within a workplace.

With a view to the above definitions, the present Guidance Framework focuses on work-based learning in the form of apprenticeships. Apprenticeships are here defined ‘as those forms of Initial Vocational Education and Training (IVET) that formally combine work based learning (periods of practical work experience at a workplace) with school-based education (periods of theoretical/ practical education followed in a school or training centre), and whose successful completion leads to nationally recognised IVET qualifications’.\(^1\)

In general, all EU Member States have VET schemes at upper secondary level including some form of workplace training. However, there are great variations in the share of work-based and school-based training across the Member States. Furthermore, there are significant differences between the Member States’ apprenticeships schemes. (EU-Commission, 2012). Regarding the heterogeneity of VET systems in the Member States, the Guidance Framework is not intended to provide one-fits-all solutions for all Member States. Instead, the Guidance Framework highlights some guiding principles that the Member States could take into account when reforming their support schemes for companies offering apprenticeships. Hence, it is up to each Member State to develop the appropriate tools and policies inspired by the principles and examples of good practices presented in this document.

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7 Guiding principles

1 Supporting measures that make apprenticeships more attractive and accessible to SMEs

In general, companies face challenges related to apprenticeships such as administrative tasks, organising apprenticeship trainers, cooperation with VET schools, etc. In most cases, companies prefer to hire a skilled worker rather than to train one because apprenticeships require time, money and human resources.

Such resources are scarce, in particular in SMEs. Evidence shows that SMEs are less likely to provide apprenticeships than large companies are (Cedefop, 2014). Therefore, specific support measures are needed to motivate SMEs and to make apprenticeships more accessible and manageable to them. The following sections present possible measures that address typical challenges for SMEs.

Promoting the benefits of apprenticeships to employers

Many companies, in particular SMEs are reluctant to take on apprentices because they are not convinced that there is a net benefit for them. In addition, employers may find the return on their investment uncertain because apprentices may want to move to another company after their training. Although apprenticeships can be a burden to employers that requires time, money and human resources, there are also benefits to employers of which the employers are unaware. Below follows some examples of benefits, which can be promoted systematically among employers. The examples are taken from Kensington and Chelsea Colleges’ employer information (KCC, 2015).

- Apprenticeships allow the business to secure a supply of people with the specific skills and qualities that the business requires and that may not be available on the external job market. Recruiting apprentices enables employers to fill the skill gaps that exist within their current workforce as apprentices begin to learn sector specific skills from day one.
- Apprenticeships can help secure a supply of skilled young recruits - especially important for the replacement of an ageing workforce.
- Apprentices tend to be more loyal and stay with the organisation, which can reduce labour turnover.
- Apprenticeship training could increase interest in training among other employees and create a ‘training culture’.
- Apprentices can bring new ideas and innovation to the business.
- Apprenticeship schemes could be reflected in an enhanced reputation for the business both within the industry and in the local community.

In the UK, employer survey statistics on apprenticeships show positive results that can be used to promote the benefits (Skillstraining UK, 2015):

- 80% companies that invest in apprentices have reported a significant increase in employee retention.
- 77% of employers believe apprenticeships make them more competitive.
- 76% of those employers that employ apprentices agree they make their workplace more productive.
- 81% of consumers favour using a company that takes on apprentices.
• 92% of employers that employ apprentices believe that apprenticeships lead to a more motivated and satisfied workforce.
• 83% of employers that employ apprentices rely on their apprenticeship programme to provide the skilled workers they will need in the future.

Promoting a training culture among SMEs
Compared to large companies, many SMEs have a less advanced training culture and limited training budgets. As an apprenticeship should be regarded as an investment, efforts may be needed to make SMEs more aware of the benefits that offering apprenticeships can provide for SMEs, such as providing them with skilled employees tailored for the company. Promoting a training culture can be done by launching campaigns or company visits targeting SMEs combined with guidance and support highlighting the benefits and the returns on investment of offering apprenticeships. VET schools and training providers may play a key role in helping SMEs, and experience shows a proactive training provider is a key to its success (see example from the UK campaign).

Providing start up information and tool kits that help SMEs
Training regulations need to be as accessible and understandable as possible for SMEs to facilitate the organisation and administration of work-based learning and avoid unnecessary administrative burdens and costs. Some Member States have developed guidelines providing user-friendly information or tool kits for SMEs without previous experience.

‘User-friendly’ financial support to motivate SMEs to offer apprenticeships
Campaigns and start-up information can be combined with some form of financial support, in particular for companies that have not previously been involved in offering apprenticeships. However, financial support to SMEs needs to be simple and ‘user-friendly’ (see UK example).

To arrange collaborative, external training for SMEs that cannot provide training for a full apprenticeship
Some companies may be too small or specialised to provide a full apprenticeship covering the whole curriculum. Training centres can alleviate such problems by organising supplementary, external training (see examples from Germany and Switzerland).

Matching services
Search and recruitment of potential apprentices may also be a burden to SMEs. Therefore, SMEs could be helped by services that facilitate matching of potential apprentices with SMEs interested in training apprentices. In some countries, intermediary bodies, including Public Employment Services (PES) are engaging to this end (see French example).

An institutional setting with intermediary bodies
At national, regional and local level, it is essential to establish the right setting for encouraging and supporting SMEs in the provision of apprenticeships. In particular, the institutions closely linked to the businesses, such as social partner organisations, sectoral or branch organisations, chambers of skilled crafts or commerce and professional bodies play a key role at system level in the governance and success of well-functioning apprenticeship systems. A legal framework for apprenticeships informing on the
respective rights and obligations of employers and apprentices helps to provide clear rules and certainty for both sides (UEAPME, 2013). Consequently, instead of cooperating directly with government agencies, the companies cooperate with intermediate bodies, which they regard as their ‘own’ organisations. The involvement of branch organisations ensures that experts with updated knowledge of the occupations in the companies qualify the provision of skills. Individual advice and support for a small company to set up and/or strengthen the provision of apprenticeships are crucial. Professional business organisations and chambers of commerce can usefully support SMEs in shaping curriculum design or seeking flexible arrangements between schools and companies to meet specific demands (UEAPME, 2013).

The below example from Switzerland shows how intermediary bodies are involved. The vocational and professional education and training in Switzerland is pursued as a joint mission of the Confederation, the cantons and professional organisations in a partnership. In Austria, the Federal Chamber of Economics, WKÖ, actively supports training alliances. These mainly involve complementary training measures conducted either in another company by mutual exchange or one-sided by sending apprentices to a company or suitable educational institution. The Regional Economic Chambers, often in cooperation with the provincial government or the Chamber of Labour, have set-up special entities to facilitate the formation of training alliances by providing information on possible partner enterprises, educational institutions and finding suitable apprentices. They also advise on the prevailing legal obligations concerning training contracts, subsidies, conditions of employment, and training requirements for a certain occupational profile (www.wko.at).

France has established a matching service to support the provision of apprenticeships in SMEs. CGPME, the Confederation of SMEs, has mandated its intermediary body AGEFA-PME to support the provision of apprenticeships in small enterprises. A web-service portal provides a broad range of services for small enterprises, including up-to-date information on apprenticeship tax credit and regional aids, a national database on potential apprentices to facilitate recruitment and a competence-based search engine on qualifications and training centres. A methodological toolbox for apprentices and tutors equips young persons with strong basic skills to allow a successful integration into a small business. The tool advises on applying for apprenticeship positions, teaches interview training and soft skills to prepare young people for the business world, as well as facilitating the understanding of SME values, i.e. versatility, autonomy and creativity. As a result, young people are more motivated, more likely to complete an apprenticeship and more productive (http://www.agefa.org/).

In Germany, the Jobstarter programme provides specific support in coordinating and organising collaboration with SME to promote apprenticeship. They closely cooperate with the training counsellors at the chambers of industry and commerce, the Federal Employment Agency and other education providers. Jobstarter provides support to two types of collaborative training. In type 1, the contracting partner responsible for the apprentice is a leading company. In type 2, a Jobstarter staff member Jobstarter is responsible for coordinating the training. The training network organises suitable partner companies. In addition, professional organisations assist SMEs in the development of in-firm training, matching with suitable apprentices, and in the training process regarding pedagogical and administrative problems.

In Switzerland, the confederation SERI provides initial funding to support the establishment of multi-company collaboration in the field of apprentice training. Multi-company collaboration makes it possible to enable broad practical VET training in several
specialised companies. The goal of multi-company collaboration in VET is to broaden the apprenticeship market. SMEs that are too specialised to offer the training in all areas specified in the training curriculum get the chance to train apprentices together and share the cost and time invested in the training. SERI has the possibility to support the establishment of multi-company collaboration in VET with initial funding. See examples at www.lehrbetriebsverbund.ch, www.login.org.

In the UK, the government’s Skills Funding Agency has launched the campaign ‘Apprenticeship’ to increase the provision of apprenticeships. The campaign provides targeted information and tool kits targeting SMEs as well as large employers. Government funding is offered as an employer grant of £1,500 to SMEs to encourage them to take on an apprentice. The Apprenticeship Grant for Employers of 16- to 24-year-olds supports businesses that would not otherwise be in a position to recruit individuals into employment through the Apprenticeship programme. Most members (80%) of the business organisation London Chamber of Commerce and Industry (LCCI) are SMEs, and LCCI finds that the financial support is helpful but not enough as most members say that they need more general support in terms of guidance and information. Therefore, LCCI has made it a top priority to get the message of the campaign out to its members.

2 Finding the right balance between the specific skill need of training companies and the general need to improve the employability of apprentices

The implementation of good-quality apprenticeship requires significant investments (financial, infrastructure, human, etc.). Understandably, most employers want to tailor the training to the specific skill needs of the company to help offset these costs. However, focusing only on the enterprises’ needs may risk being a too narrow approach since it is important that apprentices also have the opportunity to develop general skills and competences covering ‘whole professions’ and ensuring their general employability, also in view of future job opportunities. Hence, it is necessary to strike the right balance between the company-specific skill needs of the employer and the general employability of the apprentice.

Labour market responsiveness is important irrespective of whether school-based or work-based learning VET predominates. However, the risk that training does not meet current or future labour market needs tends to be higher in school-based VET systems. In countries (e.g. Austria, Denmark and Germany) with demand-led systems and a high level of employer commitment, the labour market responsiveness is to some extent ‘built into’ the system (Steedman, 2005) because training places are a function of employers’ willingness to provide them. This means that young people cannot begin their apprenticeship until they have found a training offer and have signed a contract with the employer. In contrast, the UK and the Swedish system can be defined as a supply-led system in which training places are offered mostly because training providers approach employers and ask for openings (Steedman 2005).

In order to ensure the employability of young people the content and provision of apprenticeships must be reviewed continuously in view of the labour market needs while respecting the skill needs of the individual training company.

A formal procedure for the approval of training companies and involvement of sectoral social partners

Ensuring responsiveness to market needs requires an approval procedure for recruiting training companies and permanent organisational supportive measures. In this context, it is important to involve social partners that have the sector specific expertise. They are
therefore key players in defining the skills and competences required and in setting quality standards.

**Formal feedback-mechanisms between VET systems and labour market organisations**
Many Member States have established formal feedback mechanisms between the vocational education and training system (VET providers, school boards and education ministries) and the labour market organisations (companies, chambers of commerce, employers’ and workers’ organisations, etc.) to set up new or update existing qualifications, VET programmes or curricula. Thus, new or changing demands coming from the labour market are easily identified and will be placed on the education and training agenda to adapt the training provisions.

**Anticipation of skill needs and the number of apprenticeships required**
Anticipation may be another important way of enhancing labour market responsiveness. VET provision needs to be adjusted continuously to the labour market’s skill needs. However, since vocational programmes take some years to complete, there is a time lag between the decisions on the training programme and the time that VET graduates enter the labour market. Consequently, forecasts provide important information to VET-schools as well as VET students and policy makers. However, due to the complexity of predicting the labour market, quantitative skill forecasts always include some uncertainties. Therefore, quantitative forecasts need to be supplemented with qualitative assessments, e.g. by involving companies in commenting on expected qualitative changes of occupational profiles.

**Systematic apprentice marketing at regional level**
In addition to the anticipation of skill needs, systemic marketing efforts at regional level may be needed to contact and motivate employers to provide apprenticeships. As employers’ need for apprenticeships may differ across regions, the regional level may be appropriate for marketing efforts. The example from Switzerland shows that apprenticeship marketing is a cantonal task, as the cantonal VET and professional educational training (PET) offices are familiar with the conditions in their regions.

**Matching service for apprenticeships**
In some countries, national matching services have been established in addition to the PES. Such services could increase the number of apprenticeships by making the market more transparent for companies as well as for potential apprentices. In many countries, VET-schools and VET-training centres also offer services to match the apprenticeships offered by companies better with apprentices searching for such opportunities.

In Denmark, the trade committees (de faglige udvalg) in which the social partners are represented in equal numbers, carry out the approval of training companies. The interested enterprise must send an application to the trade committee within the respective branch consisting of representatives from the sector of social partners. The trade committee assesses whether the company is able to carry out the practical training in order to obtain the goals within the specific education and training programme and offer satisfactory training conditions. Companies with a reasonable quantity of employees and the necessary array of tasks will get an approval without limitations. However, if the company does not have a wide range of tasks, it might instead be eligible for a combination training agreement (European Commission, 2012). The trade committees define the content of the education and training programmes, including the division between practical training and school-based learning and seek to ensure that IVET is in line with labour market needs (Cedefop, 2012).
In the UK, the government has established the ‘Apprenticeship Vacancies’, which is an online service where apprenticeships and companies can find each other. Employers can register and log into the webpage where they can advertise apprenticeship vacancies. Apprenticeship Vacancies is the official job site for apprenticeships in England and is managed by the National Apprenticeship Service. The system enables quality vacancies from employers to be viewed and applied for nationally by thousands of candidates that register in the system. This improves the employers’ recruitment of apprentices because many candidates see their vacancies. Furthermore, the website provides information about training providers and many other available services.

In Ireland, FAS Ireland (the Irish employment authority) has established an apprenticeship forecast system in response to the dramatic decline in apprentice numbers. In 2009, the Department of Education and Skills and the Department of Jobs, Enterprise and Innovation (DJEI) established a Study Group in order to forecast, in so far as it is possible, expected levels of apprentice recruitment over the coming years. The Study Group has revised its forecast annually using the most up-to-date data. The most recent report was completed in November 2012, covering the period up to and including 2016 (FAS, 2013).

In Portugal, the National Catalogue of Qualifications (NCQ) plays a key role in increasing the labour market relevance of VET. The NCQ is a dynamic tool for the strategic management of national non-higher qualifications that promotes the effective link between the competences necessary to the social and economic development of the country and the qualifications developed within the NQS. The catalogue ensures the connection to the EQF and each qualification is referenced to the National Qualifications Framework. In order to match the supply and the demand for qualifications better, 16 Sector Councils for Qualification were created (a structure from the NQS). They are working groups with technical and advisory competences and are responsible for updating and developing the NCQ (available online at http://www.catalogo.anqep.gov.pt).

In Switzerland, apprenticeship marketing is a cantonal task. The main objective is to establish and maintain contacts with local businesses. The VET/PET offices assess the number of available apprenticeships (apprenticeship records), take suitable measures at the right time and offer individual support to young people in their search for an apprenticeship position. Structural changes, economic fluctuations, host company ratio, demographic changes and interests of young people are all determining factors that influence the apprenticeship market. If the apprenticeship situation is disadvantageous, the federal government may step in to offer additional financial incentives for apprenticeship marketing and support of specific VET-related projects, which aid the host companies indirectly to stay attractive for young people. The most important apprenticeship marketing measures to face these challenges are:

- Information and advice on careers
- Apprenticeship records
- Creation of host company networks
- Provision of state-sponsored transitional options (mainly bridge-year courses)
- VET promotion agents deal directly with companies, encouraging them to create apprenticeship positions
- Placement and individual mentoring of young people who have been unable to find a suitable apprenticeship

Vocational and Professional Education and Training in Switzerland is pursued as a joint mission of the Confederation, the cantons and professional organisations in a partnership. The professional organisations (trade associations, social partners, other relevant organization and VET/PET providers as well as companies) have a very important role in the VET/PET system, as it is in their hands to take the initiative to create or reform qualifications in their sector/branch. Professional organisations are determine the training content and
national qualification procedures, the creation of apprenticeship positions, the provision of occupational skill and the development of new training courses. The Confederation (SERI, SFIVET) is responsible for strategic management and development of the VET/PET system, while the cantons are responsible for implementation at cantonal level, as well as supervising the apprenticeships. The cantons are responsible for the classroom instruction in VET schools overlooking the curricula as well as providing occupational, educational and career guidance counselling services. Examples can be found at [http://www.beratungsdienste-aargau.ch/berufswahlstudienwahl/beruf-schule-finden-und-waehlen.html](http://www.beratungsdienste-aargau.ch/berufswahlstudienwahl/beruf-schule-finden-und-waehlen.html); [www.berufsbildungplus.ch](http://www.berufsbildungplus.ch)

### 3 Sharing costs and benefits that motivates training companies, VET schools and training centres as well as learners

Apprenticeship is an investment made by employers that include benefits as well as costs. Hence, the employer will assess whether the long-term benefits of developing future, skilled employees outweigh the costs of hosting apprentices and implementing their training programme. The example from Switzerland below shows that a positive cost-benefit ratio for companies having apprentices can be a very important factor to promote a training culture among companies. The example from Switzerland shows that employers can have economic benefits as well as benefits relating to improved image, new ideas and inspiration that the young apprentices bring into the company. Therefore, it may be important that campaigning activities make all these benefits visible to the employers.

Responsibilities, governance structures and financing models for apprenticeships vary considerably among Member States. According to the European Commission (2012), two main financing models can be identified:

1) **The public sector is the main source of finance.** For example, in countries such as Sweden, Poland, Slovakia and Spain where apprenticeship schemes are predominantly school-based. In these countries, the public sector is the main source of finance, i.e. national public funds as well as European funds (i.e. the ESF or the Lifelong Learning Programme). Estimations from Spain and Slovakia suggest that between 85% and 96% of the respective education funds come from public sources.

2) **Financing shared by enterprises, public sector, households and student.** In other countries, such as UK, Denmark, Austria, Germany and France, the apprenticeship schemes are funded by the different participants (enterprises, public sector, households and students), and the enterprises are playing a much more important role than in the countries in 1). In France, for example, up to 43% of the EUR 6.9 billion devoted to apprenticeship funding in 2008 came from the enterprises themselves (including wages paid by employers to apprentices) while 50% came from central and regional authorities. In Germany, estimations suggest that 76% of resources devoted to apprentices come from the enterprises. Arrangements for collecting employers’ contributions also vary. In France, any company with at least one employee is subject to the so-called Apprenticeship Tax. In Denmark all Danish companies, both public and private, contribute a fixed annual amount to the so-called Employers’ Student Reimbursement Fund’ (European Commission, 2012 p. 73-74).

These two different financing models make it difficult to compare the levels of financial support between the Member States. Consequently, there is not one fits all pattern that can be recommended in this framework. The only general principle is that the financing
of apprenticeships should be shared in a balanced way that provide motivation for learners as well as employers, VET schools and training centres to engage in apprenticeships. The Polish example below shows how the costs and benefits of apprenticeships are shared by training companies, VET schools and training centres as well as learners.

Concerning the cost of apprenticeship-type training for students, the typical model is that the costs of off-the-job education in vocational schools is free, although students above a certain age may be required to partially cover their fees.

Evidence shows that all countries provide some kind of financial support to companies providing apprenticeships including sectoral training funds managed by the social partners. However, it should be noted that non-financial incentives are often considered more important, also because financial incentives could become counterproductive if they are implemented in the wrong way.

In Denmark, wages paid by enterprises to apprentices during the time that the students attend school-based education and training (i.e. the main course or the basic course) are fully covered by the Employers’ Student Reimbursement Fund (Arbejdsgivernes Elevrefusion, often referred to as AER). Student wages are set in the collective agreements between the social partners. They are also paid during school periods in the main programme. In turn, the employer gets a refund corresponding to approx. 90 percent of the wages from the Employers’ Reimbursement Fund. The employers finance the AER Fund. All employers must pay a fixed sum per employee to the AER Fund. All stakeholders appreciate the AER Fund because it alleviates apprenticeship-derived costs for enterprises involved in this type of training, and at the same time they share these costs with non-participating enterprises (Alizarova, 2013).

In Poland, the costs and benefits of apprenticeships are shared by training companies, VET schools and training centres as well as learners. Employers that train apprentices in the occupations covered by the classification of occupations for VET have the opportunity, on the basis of the regulation of the Minister of National Education on practical training in an occupation, to receive the funding for:

- the remuneration of the practical training instructor that teaches the apprentices;
- the training allowance for the practical training instructor; and
- reimbursement of working clothes, shoes and other equipment needed for personal protection, required according to the specificity of work in a given profession, provided to apprentices.

Moreover, the practical training supervisor supervising students from technical schools at employer premises may be released from their duties for the period of students’ placement in enterprises. In such cases, the training supervisor is entitled to the remuneration equal to the remuneration received during holiday leave. However, if the practical training supervisor has not been released from his/her duties, she/he receives a training allowance not lower than 10% of average remuneration in the enterprise’s sector. The practical training supervisor may also receive bonus not lower than 10% of the average remuneration in enterprise’s sector. Additionally, according to the regulation of the Council of Ministers on Vocational Preparation of Apprentices and their Remuneration, employers are entitled to reimbursement from the Labour Fund that covers the partial costs of apprentice remuneration and their insurance.

In Estonia, the state mainly funds apprenticeship. However, there can also be other arrangements to fund an apprenticeship programme depending on the agreement between the vocational education institution and the enterprise. If the training of the students is in the interest of the employer, the company may take on the entire financial burden related to the
company-based training, whereas if the apprentice is sent to the company by the school, the school pays the salary for the supervisor in the enterprise (CEDEFOP, 2009b).

**In Germany**, the Intercompany Apprentice Training (IAT) at Intercompany Training Centres (ITCs) is a good example of a public-private public partnership and cost sharing. The centres generally belong to the chambers of skilled crafts and assist companies to offer a high-quality standard in apprenticeship training. IAT helps to ensure that the full curriculum is covered, although the training company is highly specialised. It supports technology transfer, which prepares the skilled craft sector for the future. Moreover, by making use of practice-based and action-oriented training methods, inter-company instruction raises the quality of vocational education. IAT is publicly funded and the running costs are shared between the federal government, the regional government and the skilled craft enterprises.

**In the Netherlands**, companies can benefit from a general tax benefit resulting in a reduction in tax and social insurance contributions paid for BBL apprentices. Moreover, enterprises in a number of economic sectors can benefit from specific grants per apprentice provided by the existing sectoral training funds (EU-Commission, 2012).

In the UK, different levels of government funding are available for the training costs of apprenticeships, which vary by age. Full funding is available to cover the training fees of 16-18-year old apprentices. For those aged between 19 and 24 years, employers are expected to contribute 50% of the training fee. Where apprentices are over 25 years old, typically employers fund the full costs of training (EU-Commission, 2012).

**In Switzerland**, studies have shown that one of the most important incentives for professional organisations in Switzerland to become involved in VET/PET is the positive cost-benefit-ratio it offers. Consistently over the past ten years, cost-benefit-calculations for Swiss firms have shown that the productive contribution of an apprentice in a typical Swiss training firm exceeds the training costs by more than EUR 6,000 per apprenticeship (Wolter 2012). According to Stefan C. Wolter, University of Berne, offering apprenticeships may benefit an employer in at least three ways:

*First*, as apprentices work (part-time) for the training firm, the value of their productive contribution may already offset the firm's costs of providing training (i.e. material and infrastructure costs, and wages for instructors and apprentices). In comparison with some EU Member States the wages of the Swiss apprentices are relatively low. An apprentice in Switzerland earns about 12% of the actual wage during his first year of an apprenticeship.

*Second*, a firm can use training as a screening device to identify the most talented and motivated apprentices. Although the apprenticeship contract ends by the end of training, the firm can always offer a work contract to the most able individuals (based on superior knowledge of the trainee's aptitudes that is not available to other firms) and thereby avoid costly mismatches.

*Third*, a firm can train apprentices to its specific skills requirements - an increasingly important advantage in times of skilled-worker shortages in many industries that make it more difficult to fill vacancies with workers form the external labour market. An externally hired worker still needs to acquire specific skills during a period of adaption that initially restricts the productivity of a new hire. In many cases, external hiring costs are substantially higher than the potential net investment associated with training an apprentice.

In addition, the training companies also have other benefits:

- Strengthening their image, i.e. customers become aware of the company taking their social responsibility seriously.

- Knowing the latest trends, i.e. young people bring fresh ideas and challenge old habits.

- Investment in the future, i.e. Well-trained employees can quickly adapt to new developments and can be a decisive factor for success. Engaging in VET/and professional educational training (high VET) will help to find suitable staff in the future.
4 Focusing on companies having no experience with apprentices

Many companies have no experience with apprenticeships. Even in Member States with a long apprenticeship tradition, such as Denmark, about 70% of all businesses have no apprentices. This means that there is an unreleased potential for increasing the demand for apprenticeships. Member States should therefore reflect on how to attract these companies through financial or non-financial means.

Financial support measures can be an incentive to motivate companies to invest in apprentices. Public subsidies can help to increase the provision of apprenticeships. Empirical evidence shows that the companies' demand is related positively to the size of the subsidy spend on promoting apprenticeships. However, the effect varies considerably between sectors and professions (Westergaard-Nielsen et al., 2000). Direct subsidies appear to be effective in encouraging firms to start training apprentices but do not increase the demand for apprentices in firms that already have apprentices. Consequently, Member States should consider grading the financial support to companies, i.e. starting with higher subsidies for companies that take on apprentices for the first time. The subsidy level for subsequent apprentices can then be decreased substantially year by year.

Non-financial support measures are important to qualify and prepare the training company for the responsibility of hosting an apprenticeship. The support measures may help the new training companies with various formalities and administrative tasks of implementing an apprenticeship. Many companies, especially SMEs with no apprenticeship experience, may require external help for the following basic tasks: accreditation as a training company, identifying the company's skill need, recruitment procedures, training and instruction of in-company trainers including the preparation of training guidelines, administrative procedures and the assessment and certification of apprentices. These tasks could be used as inspiration for developing a broad set of supportive measures that assist companies, particularly ‘first timers’ in implementing good-quality apprenticeships. In addition, campaigns, skills competitions and awards could be envisaged. Public authorities could also include apprenticeship training at company level as a pre-condition in public procurement procedures.

FINANCIAL SUPPORT MEASURES

The UK Apprenticeship Grant for Employers (AGE) targets employers with up to 1,000 employees that have never taken on an apprentice before or have not taken one on the last 12 months. The AGE is driven by a government priority to respond to the high rate of youth unemployment. It provides apprenticeship grants (worth £1,500) to employers with up to 1,000 employees recruiting 16- to 24-year olds to encourage them to take on new apprentices. One aim of the AGE programme is to achieve at least 50% of AGE apprenticeships in small businesses (with 50 or fewer employees), and that at least 50% of AGE apprentices should be aged 16 to 18 when starting their apprenticeship. These aims have been achieved with the majority of AGE apprentices being in the 16-18-year age range, and the large majority of AGE-supported employers having fewer than 50 employees. In addition, AGE apprenticeships have yielded good progression into employment and positive effects with encouraging employers to take on apprentices for the first time (Apprenticeship UK: http://www.apprenticeships.org.uk/employers/steps-to-make-it-happen/incentive.aspx).

In 2011-2014, Denmark launched a grant scheme that gave employers about EUR 10,000 for each apprenticeship. The scheme was politically controversial and the scheme was abolished in 2014. In 2012, the size of the grant was halved and this created a boom in the demand for apprenticeship places before the grant was halved. This indicates that the grant system had some effect on demand. The financial incentives rewarding new apprenticeships were combined with an information campaign to promote apprenticeships.
Similarly in France, apprenticeship developers in the chambers of commerce have systematically promoted the apprenticeship contract and came into contact with some 140,000 enterprises between 2009 and 2012.

**NON-FINANCIAL SUPPORT MEASURES**

In Austria, the governance of the apprenticeship system is characterised by co-ownership. Government authorities (the Federal Ministry of Economy, Family and Youth) have only limited direct contact with companies. The main contact to companies is handled by intermediate bodies, such as economic chambers of commerce, training providers, the social partners, etc. The companies regard the economic chambers of commerce and other professional bodies as ‘their own’ organisations. Support measures for companies are in place before, during and after the training takes place. Before the apprenticeship, for example, the company receives accreditation as a training company and as having trainer qualifications. In the selection process, there are support tools for recruiting apprentices. During the training, companies can use training guidelines and quality assurance checklists. The lesson is that it is important that all information that is passed on to the companies be user-friendly and in a ‘business language’. *(The example is based on Thomas Mayr’s presentation at the Working Group’s in-depth workshop in Paris on 26-27 June 2014. Further information can be found in the paper ‘Governance and support structures to make apprenticeship training attractive to companies: The Austrian approach ’ (IBW, 2013)).*

In the UK, the Semta Apprenticeship Service is an example of a sector-specific outreach effort promoting apprenticeships among SMEs in the engineering and advanced manufacturing sectors across England. The Semta Apprenticeship Service offers employers assistance with making it easy to take on and up-skill apprentices. The assistance is carried out by apprenticeship coordinators. They handle all administration, recruitment and customised training arrangements, and mentor each apprentice. Semta’s Apprenticeship Service is currently working with 880 apprentices, who are placed with 190 companies of all sizes in the engineering and advanced manufacturing sectors across England. According to Semta, the success rate for their apprenticeship programme is 88% compared to the national average of 77% ([http://www.semta.org.uk/factsfigures](http://www.semta.org.uk/factsfigures)).

5 Supporting companies providing apprenticeships for disadvantaged learners

VET and apprenticeships schemes play an important role as regards the social inclusion of disadvantaged young people who are often not in employment, education or training (NEETs), and the combat of drop out and early school leaving. However, this may imply extra costs for companies providing apprenticeships, particularly for those who have learning difficulties and or social/mental problems. Consequently, in order to enable companies to promote social inclusion, financial as well as non-financial support measures are needed.

*Financial support measures* can be used to compensate companies for the extra costs they may incur when taking in young people with special learning needs as apprentices. Most countries provide financial subsidies, but some of them are also concerned that such subsidies may be counterproductive.

*Non-financial support measures* could help the management of companies and in-company trainers in the use of special tools and equipment in learning situations, such as young people with a hearing impairment. Several countries have put in place specific coaching or mentoring systems.

Recent studies show that successful inclusion of students with special educational needs requires a comprehensive and coherent strategy. Some of the key success factors are:

- a legal framework that allows VET institutions to offer different levels of apprenticeship with different curricula leading to different qualification levels;
• a learner-centred approach tailoring goals, curricula, pedagogical approaches and materials and assessment methods to individual needs with particular focus on the learners’ capabilities;

• highly qualified VET school trainers and in-company trainers and support staff that co-operate to ensure an individualised apprenticeship programme that matches the capabilities of the apprentice;

• establishment of co-operation structures between VET schools and local companies and policy makers helping schools to establish and maintain resilient connections with local employers; and

• competent staff providing follow-up support activities, for as long as required, addressing the needs of employers and young graduates to maintain learners’ employment in companies (European Agency for Special Needs and Inclusive Education, 2013).

In Austria, the programme ‘Integrative VET’ has the goal to provide disadvantaged young people with a VET qualification and integrate them into working life. The length of the apprenticeship depends on the chosen path and varies between 12 to 36 months. 80% of the work-place learning takes place in a training centre financed by the Austrian PES (AMS) or in a company, while 20% is school education and training. The possibility of a tailored training scheme enables companies, specific autonomous training establishments and part-time vocational schools to cater for individual abilities and skills and meet individual needs. Hence, the possibility of a tailored scheme makes it easier for companies to manage the implementation of an apprenticeship. An evaluation shows that the company-based programme is more effective than the training centre-based in terms of employment outcomes. One month after completing the programme, 76% of the company-based apprentices are in employment compared to only 20% of the training centre based apprentices. (Dörflinger et al., 2009)

In the UK, apprenticeships are seen as a critical route into the labour market, especially for the group of young people unemployed in the current economic crisis context. To address this concern, the UK government introduced as a one-off measure the so-called “Apprenticeship Grant to Employers” in 2010, which offers a small, financial incentive (£2,500) as a recruitment subsidy for employers to take on a young, unemployed person (aged 16 or 17) as an apprentice. In 2011, the government also launched a programme called ‘Access to Apprenticeships’, which is intended to provide a pathway programme for 10,000 disadvantaged 16- to 24-year olds. The scheme, which is supported by public funding, is aimed at helping those who want to pursue an apprenticeship but who cannot find an employer to take them on since they lack the skills or experience. The majority of the time will be spent in the workplace, where young people can prove their eligibility and aptitude to prospective employers. The learner comes fully funded as a prospective apprentice from the start, and the employer only pays a salary if the participant completes the prospective period successfully and converts to employee status. Hence, the company is supported by removing the economic risk (the salary costs) the employers take when taking in a prospective apprentice who lacks skills or experience. (LSIS, 2012)

In Germany, the support measures include the programme ‘JOBSTARTER - Für die Zukunft ausbildten’ (Training for the Future). The Federal Employment Agency (BA) assists companies that recruit apprentices with special needs (i.e. disabled persons, young people with learning difficulties or social disadvantages, young people who have been searching for a training place for more than one year). The local employment agency decides whether to grant training assistance in each individual case and bears the costs of the particular measure. Assistance is also provided for training management and socio-pedagogical coaching. Companies can receive assistance if they decide to train young people with learning disabilities or social disadvantages. Assistance is given by a specialised educational service provider and comprises administrative and organisational assistance as well as accompanying coaching. Most JOBSTARTER projects offer external training management to SMEs. Such
free support reduces the burden on in-house trainers (Federal Ministry of Education and Research, 2013).

In Germany, a new federal initiative ‘Education Chains’ (Bildungsketten) aims to support the transition from general into vocational education in the dual system as well as to prevent dropping out in both systems. It supports young people to prepare for their general school certificate and their vocational education. The programme supports the transition from school to training and during the apprenticeship training process, but also providing in particular SME with appropriate apprentices. The analyses of hidden potentials (class 8), practical vocational orientation periods (class 9), in firm ‘Praktika’ and individual pedagogical assistance and long term support from school (class 8) to apprenticeship are core elements of the initiative, in which the federal level, the Länder and the federal employment service join their programmes in a holistic and step-by-step strategy and philosophy. From 2015-2018, 500,000 students in about 3,000 schools will receive standardised analysis of their potentials and vocational orientation programmes, about 115,000 students will benefit from the long-term individual support and coaching by professional ‘buddies’ from school to apprenticeship training, in particular in SMEs. You can read more about the initiative at http://www.elgpn.eu/elgpndb/view/45.

6 Promoting systematic cooperation between VET schools, training centres and companies

Systemic cooperation between VET schools or training centres and companies is essential in order to ensure good quality apprenticeships and enhance a smooth transition from school and work. Particularly SMEs with limited administrative resources may benefit from such continuous cooperation and support, including access to skilled and specialised labour, access to regional innovation networks or other opportunities to improve their business activities. VET organisations, on the other hand, can benefit from a continuous update on the skill needs, job profiles and use of technology in companies.

VET-schools or training centre and companies could establish *partnerships with specific objectives*, for instance in the form of common school-enterprises development projects, or could create *general partnerships* that not only focus on apprenticeships, but also on other issues, such as research, regional innovation or entrepreneurship.

VET schools could organise *regular contacts/visits* to the companies during the apprenticeship, which would not only be for the benefit of the apprentices, but also for the trainer and the company.

Cooperation can also include *an assessment plan* for the apprentice and the company.

In France, VET-school representatives/contact persons visit the apprentices in companies during the apprenticeship. For example, the VET-school Campus des Métiers et de l’Entreprise visits apprentices in the companies. The visits may help to solve problems concerning the apprentice’s working conditions and the relationship between the apprentice and the company. The visits also include a visit where an assessment of the apprentice’s professional skills and personal skills takes place. The visits do not only benefit the apprentice and the companies. They also provide very valuable information to the teachers and the school about changes in the job and the labour market in general. (Example was presented during the Working Group’s in depth country workshop in Paris, 26-27 June 2014).

In Denmark, apprenticeship training is systematically monitored and assessed in cooperation between the VET school, the company and the training company. The training companies must issue interim evaluations to the apprentice and the school for a completed period of workplace training at the end of each practical period. The interim evaluation is written in cooperation with the apprentice. The evaluation indicates areas of work and job functions
with which the apprentice has been occupied in the company. If the apprentice has special needs for further instruction and training, this will also be indicated. Forms for interim evaluation are made by the trade committees, and can be obtained at the schools.

7 Motivating and supporting companies to assign qualified trainers and tutors
In-company trainers/tutors can be defined as persons (employees) in the training company responsible for training and mentoring the apprentice during the apprenticeship. The trainer/tutor is usually a worker with relevant work experience in the company and with pedagogical skills to interact appropriately with apprentices.

In small enterprises, trainers/tutors usually work on a part time basis in addition to their primary job tasks while large companies often have full-time trainers who can concentrate on providing vocational training in their firm only. Trainers/tutors are usually appointed by the company, although in some countries (i.e. Estonia, Spain or Poland) the vocational school has the right to assess whether the person is suitable for the training and the supervising duties involved (European Commission, 2012).

In order to ensure the quality of apprenticeship programmes, Member States are in a position to establish quality frameworks defining minimum skill requirements for trainers/tutors and their cooperation with the apprentices and the schools. However, if these frameworks become too detailed, this could become a disincentive to companies’ recruitment of apprentices. Therefore, company trainers should not be regarded as ‘teachers’ who have to pass pedagogical programmes equivalent to teachers at schools. In its guiding principles, the Thematic Working Group on Trainers in VET did not advise about having a formal qualification as a requirement for trainers/tutors. Basic requirements for apprenticeship trainers/tutors should be the following:

1) The trainer/tutor is an experienced worker/employee with a specified number of years of previous work experience in the area in question.

2) The trainer/tutor has the possibility to acquire and constantly update the necessary training-related competences to oversee the practical training and acquisition of work experience of apprentices/trainees in the workplace.

The support to companies may be inspired by the following principles, developed by the TWG:2

1. **Trainers are lifelong learners**, so recognise their identity and work and support their lifelong learning. Different learning opportunities, including those available for VET teachers as well as for adult educators, should be brought to the attention of trainers in enterprises. Renewal of certificates may be considered as a way of ensuring that trainers maintain and update their competences.

2. **Companies’ support is crucial for trainers’ continuous professional development**, so raise awareness of benefits and get companies on board in supporting training and trainers. Policies should envisage and provide support to companies wishing to train apprentices or develop their employees’ skills.

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3. **Small and medium-sized enterprises are important players**, so provide targeted support. Public measures to support training by SMEs should aim at providing flexible solutions and ensuring quick provision of the necessary competences, simultaneously, focusing on areas that stimulate and offer SMEs a way to systematise their training practices.

4. **Trainers’ competence development benefits from a systematic approach**, so define what trainers need, provide training and learning opportunities, recognise competences. If a country aims at better recognition of in-company trainers’ work and improved professionalisation, a systematic approach should be considered. Three main elements form the support system for trainers’ continuous professional development:
   - qualification or competence standards and availability of qualifications or certificates;
   - flexible and relevant training provision; and
   - opportunities to get competences validated and recognised.

5. **Supporting trainers in companies is a shared responsibility**, so ensure effective cooperation and coordination between governments, sectoral organisations (chambers, trade unions etc) and VET providers.

The last element implies that the government should establish the overall framework for apprentice trainers in close cooperation with the social partners. The provision of support to apprentice trainers should be designed in consultation with the employers and be carried out by intermediate bodies that represent the social partners and trade organisations.

In **Germany**, according to the VET legislation, trainers should be qualified in the specific or another relevant occupation and have acquired a trainer qualification according to the ordinance (regulation) on trainer aptitude (AEVO), which is acquired through an exam. AEVO outlines minimum requirements and is supported by enterprises. To qualify as a training company, at least one skilled worker, who coordinates other skilled workers-apprentice tutors, should have passed the exam. For SMEs, The German Federal Institute for Vocational Education and Training (BIBB) has developed guidelines for trainers in SMEs. The aim is to support skilled workers who provide training and to make their tasks easier and help them improve. The guidelines propose ways of how to cope with difficult situations based on input from heads of training, trainers, skilled workers experienced in training, lecturers and training experts.

In **Malta**, the Employment and Training Corporation (ETC) runs a training programme, which includes financial as well as non-financial support for in-company trainers. The programme enables in-company trainers as well as those who anticipate taking up a trainer role to give more effective on-the-job training to new employees. The ETC emphasises that their competence-based training programmes reflect labour market needs for better skilled in-company trainers in Malta, since they are designed in consultation with employers. The programme provides participants with the knowledge and skills to assess training needs, design and deliver effective on-the-job training programmes in a motivating manner. The programme is compulsory for those who do not have other relevant training qualifications or equivalent and would like to be considered as eligible trainers for the current training grants schemes operated by the ETC. More specifically, if a company is applying for financial assistance for training from the ETC, their trainers, whether in-house or external, must have successfully completed the train-the-trainers programme (or an equivalent programme that may be delivered by another institution approved by the ETC). The ETC provides financial assistance to companies that invest in the training of their employees, and the subsidy varies according to the type of training and the size of the enterprise. The train-the-trainer
programme is delivered by the Night Institute for Further Technical Education (NIFTE) established in 1999 in consultation with the Federation of Industry and the Department of Education.

In Finland, the Foundation for Occupational Advancement (AEL) is a good example of how training of in-company trainers can be provided in a flexible and customer-oriented way. The Foundation for Occupational Advancement (AEL) provides tailored solutions for companies including open courses and seminars and formal vocational training leading to qualifications within the framework of the official VET and CVET system. AEL’s approach is that instead of providing ready-made solutions holistic solutions are developed based on customer needs, use of interest group-centred methods, and teamwork. The new focus of the company led to close examination of the required and existing trainer competences and skills and identifying the support and training needed for them to acquire such competences. An electronic register of competences has been designed to help address these issues. Every year, trainers voluntarily enter information about their continuing professional development and updated qualifications, competences and skills, work experience, and even hobbies. The information is based on developmental discussions with the trainer’s supervisor complemented by team evaluation. Developmental discussions also help identify any further learning needs and set out a support plan. To design and deliver a training course, a team is set up based on the goals and learning needs of the client. The electronic register of competences helps identify the most relevant trainers for a specific training assignment and meet the customer’s training needs best.
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