

SKOPE

ISSUES PAPER 22

July 2010

What is apprenticeship?

Susan James

SKOPE, University of Oxford

Summary

McDonald's aim was to provide up to 6000 apprenticeships in 2009, and then up to 10,000 per year from 2010. This will make McDonald's the UK's largest government-supported apprenticeship provider. At the heart of this paper are three questions: what is an apprenticeship, is what McDonald's aims to offer equivalent to an apprenticeship, and should taxpayers be funding a notion of apprenticeship that seeks to certify training already undertaken by the employer?

Introduction

Who could disagree with the Senior VP (Chief People Officer) of McDonald's UK, when he stated:

In these challenging economic times, it is more important than ever for employers to invest in their staff. With the service and hospitality sector now one of the biggest employers in the UK economy – over 1.9 million people are employed by the hospitality and tourism sector alone – it's vital that we and others in the industry invest in skills and training now to ensure the sector is ready to shine when the UK emerges from the downturn. (People 1st 2009)

Investing in skills and training is important for any business. McDonald's is one of the few companies not reducing staff numbers, and has instead increased employment in the UK by 4,000 jobs (Woods 2008). Consequently, it seems particularly important for McDonald's to invest in skills training as sales have soared since the beginning of the economic downturn (Reuters 2009); increasing staff training is a productive

measure in terms of staff competence and commitment. It would be easy, however, to disagree with the notion of a publicly-funded McDonald's apprenticeship.

It should be noted at the outset it is not McDonald's *per se* where the issue lies. The narrowness of the Level 2 apprenticeship programmes offered by Flybe and Network Rail have also both been questioned, though admittedly to a lesser extent (Lipsett 2008). However, the McDonalds example provides the opportunity to unpick the concept of a popularist apprenticeship to a) ascertain what it involves that justifies public support, and b) address the issue of qualification equivalence.

What is apprenticeship?

Apprenticeship has a lengthy history in England and for a very long time was the only formal learning route in the workplace. It clearly held a certain cachet:

Originating in the mediaeval craft guilds, apprenticeship has a long and largely honourable history in Europe. Under the licensing authority of his guild, a master craftsman undertook to take the apprentice into his household and to instruct him in his craft, enabling him eventually to progress towards the qualified status first of a journeyman, then, eventually, of a master. In return, the apprentice undertook to work diligently, soberly and honestly in his master's interest. In all the best stories, he even had a good chance of marrying the master's daughter! (Smith, 1992:84)



The Industrial Training Act of 1964 was the beginning of the state, taking control of apprenticeship, specifically as an instrument of government policy (James, 2004). Fuller and Unwin (2008:14) note that since 2004 'apprenticeships' has been used as a brand name encompassing all government-funded youth training schemes (except E2E – entry to employment) and now covers:

- Young Apprenticeships for 14-15 year olds;
- Apprenticeship at Level 2 (L2);
- Advanced Apprenticeship at Level 3 (L3);
- Programme-led Apprenticeship (PLA).

A PLA is a full-time student undertaking work experience; Apprenticeship and Advanced Apprenticeship are employer-led apprenticeships as the apprentice is an employee. Apprenticeship and Advanced Apprenticeship thus follow the historical concept of apprenticeship. However, some argue that, in general, apprenticeship has lost a lot of its cachet, in part because the State's specification of the attainment of a National Vocational Qualification (NVQ) and key skills at the requisite level 'takes precedence over everything else, minimising the much more important process elements of an apprenticeship programme' (Fuller and Unwin 2008: 16). In addition, an increasing proportion of government apprenticeship places are at Level 2, not Level 3 as would be the case in most North European countries.

In designing their scheme, McDonald's chose level 2 Multi-skilled Hospitality Services from seven available apprenticeship routes offered by People 1st (the Sector Skills Council for hospitality, leisure, travel and tourism):

- Food and Drink Service;
- Food and Drink Service (Drinks Service);
- Front Office;
- Food Processing and Cooking;
- Professional Cookery;
- Housekeeping; and
- Multi-Skilled Hospitality Services.

All seven apprenticeship routes consist of four elements:

1. the competence based element of the particular route at L2;
2. the knowledge based element (formerly the technical certificate) at L2;
3. key skills of 'Application of Number' and 'Communication' both at L1; and

4. additional Employer Requirements, of which there are none for any of the seven routes.

The apprenticeship should not be completed in less than 12 months and the candidate must complete two key skills units – Application of Number and Communication at Level 1 – and nine other units. These nine units consist of:

- two mandatory units – 1GEN1/04 Maintain a safe, hygienic and secure working environment and 2GEN1/04 Give customers a positive impression of yourself and your organisation; and
- seven optional units from a minimum of three of the five optional boxes (Table 1).

Candidates may only select a maximum of three level 1 (L1) units from the optional seven. However, combined with the one L1 mandatory unit and the two key skills this means that six of the 11 units could all be at L1 for a Level 2 qualification. Furthermore, in the specific case of the McDonald's apprenticeship the candidate is actually quite limited in the units they could choose (listed in Table 1) and the underpinning knowledge required, as many are out of the realm of experience that a fast food chain can provide.

Qualification equivalence

The McDonald's website states that the aim of the apprenticeship is to provide staff with the opportunity to gain a valuable, nationally recognised qualification: 'the qualification recognises job-specific skills acquired through workplace training, combined with GCSE-equivalent Maths and English' (McDonald's 2009). In the press there have been accusations of snobbery against those who criticise McDonald's efforts in training and qualifying their employees. Any employer who is willing to train and qualify their staff, particularly knowing full well that retention rates are not high, should, it is argued, be commended. This is especially true, when the training under consideration is potentially re-opening the opportunity for learning and gaining a qualification. However, in our view it is highly questionable whether the qualifications to be gained in this Level 2 apprenticeship – two Level 1 Key Skills and nine units of an NVQ of which four can be at Level 1 – are really equivalent to five A*-C GCSEs, the qualification equivalence as stated in the National Qualifications Framework. Certainly the evidence on wage returns to different types of qualifications suggests that they are not, and that the labour market values good GCSEs far more highly than NVQs (Vignoles and Powdthavee 2006).

Table 1: Optional Units for the Level 2 Multi-skilled Hospitality Services NVQ/SVQ Framework

Box A: Front Office optional units 2R1/04 Deal with communications as part of the reception function 2R2/04 Deal with the arrival of customers 2R3/04 Deal with bookings 2R4/04 Prepare customer accounts and deal with departures 2R9/04 Resolve customer accounts and deal with departures 2R9/04 Resolve customer service problems (ICS) 2R11/04 Identify and provide tourism related information and advice	Box B: Housekeeping optional units 2HK1/04 Clean and service a range of areas 2HK2/04 work using different chemicals and equipment 2HK3/04 Maintain housekeeping supplies 2HK4/04 Clean and protect floors (CSSNTO) 2HK5/04 Clean carpets and soft furnishings (CSSNTO) 2HK6/04 Provide a linen service 2HK7/04 Carry out periodic room servicing and deep cleaning 1HK1/04 Collect linen and make beds
Box C: Food and Drink Service optional units 2FS1/04 Prepare and clear areas for table service 2FS2/04 Serve food at the table 2FS3/04 Provide a silver service 2DS1/04 Prepare and clear the bar area 2DS2/04 Serve alcoholic and soft drinks 2DS4/04 Prepare and serve wines 2DS5/04 Maintain cellars and kegs 2DS7/04 Prepare and serve dispensed and instant hot drinks 1FS3/04 Prepare and clear areas for counter/takeaway service 1FS4/04 Provide a counter/takeaway service	Box D: Food Preparation and Cooking optional units 2FP7/05 Prepare vegetables for basic dishes 2FPC4/05 Prepare, cook and finish basic rice dishes 2FPC5/05 Prepare, cook and finish basic pasta dishes 2FPC6/05 Prepare, cook and finish basic pulse dishes 2FC7/05 Cook and finish basic vegetable dishes 2FPC15/05 Prepare and present food for cold presentation 2FPC8/05 Prepare, cook and finish basic egg dishes 2P&C1/05 Complete kitchen documentation 2P&C2/05 Set up and close kitchen 1FP2/05 Prepare and finish simple salad and fruit dishes 1FP3/05 Prepare hot and cold sandwiches 1FPC1/05 Prepare and cook fish 1FPC2/05 Prepare and cook meat and poultry
Box E: Generic optional units 1GEN2/04 Maintain and deal with payments 1GEN4/04 contribute to effective teamwork (CfA) 2GEN3/05 Maintain food safety when storing, preparing and cooking food 2GEN4/05 Maintain food safety when storing, holding and serving food	

Furthermore, as Chris Humphries, chief executive of the UK Commission for Employment and Skills, has stated (HR Magazine 2009):

We are sitting on a skills time-bomb. UK workers urgently need a skills upgrade. Employers have to be at the heart of this, yet we must be careful that developing the system does not add to the layers of complexity that currently surround it.

Therein lays the issue. Employers should be training their staff and offer the opportunity, where applicable, to complete a qualification. But to consider training to be equal to other qualifications or an apprenticeship where it clearly is not, not only adds layers to the complexity in the system but also to the complexity of understanding offerings within the system, such as apprenticeships. Furthermore, providing training necessary to work competently is one thing, to provide training leading to a

qualification that has limited value in the labour market and may not aid progression is another. Both NVQs and key skills have been pilloried by employers (James 2004, 2006) and educationalists (Grugulis 2002) who, on the whole, value the process of time it takes to acquire skill and knowledge. Research also indicates that the wage returns to some lower level NVQs, even when acquired via the apprenticeship route, is limited (Dickerson and Vignoles 2007).

As Fuller and Unwin point out (2008:18), 'the lack of a clear purpose for apprenticeship in England has allowed it to become a "wrapper" or "brand" embracing a range of formal and informal learning experiences, opportunities and attainments, reflecting the diverse nature of around 80 occupational sectors'. The McDonald's apprenticeship is no different: it offers employees the opportunity to 'wrap' or 'brand' a discrete

set of identified work tasks or functions in the form of an NVQ at Level 2 under the apprenticeship banner. These are a set of identified tasks that would ordinarily be employed in their every day activities and much of the learning will take place on, and through, carrying out their jobs.

What is being funded?

The availability of government funding for apprenticeship schemes depends on the type, level and industry, and the amount is finalised on application. However, the national rate of funding for a 16-18 year old completing an NVQ Level 2 apprenticeship in Hospitality (Food Processing) is £3682 (for a 19+ year old it is £2117) (LSC 2007:51). This means that in 2009 McDonald's may have been set to receive over £22 million¹ of taxpayers' money. Based on the units outlined in Table 1, in reality this money could go to support much of McDonald's initial staff training for new entry-level recruits or recognition of prior learning. In other words, this is training McDonald's should and would be undertaking as part of the training any employee could reasonably expect in undertaking a new job. The danger of making this a government-supported apprenticeship is that the taxpayer ends up funding training much of which the employer would have had to provide anyway. The 'added value' from public support would appear to rest largely on the fact that this training will now receive formal certification. It is questionable as to whether the taxpayer should be responsible to pay for this type of formal certification.

Conclusion

This paper raises three issues, based on the McDonald's apprenticeship model, for further exploration. First, what is the value to the taxpayer of offering public support to employers' existing induction and initial training, unless this leverages a much increased volume of training (with a considerable financial contribution from the firm), clear progression routes, and training and certification that is widely valued in the labour market? Second, why is so much of our apprenticeship provision aimed at Level 2, when in competitor countries Level 3 is the norm? Such concerns are all the greater given the problems of equating a Level 2 NVQ with its academic equivalents. Third, why has our official conception of apprenticeship as a learning route become so narrow?

References

Dickerson, A. and Vignoles, A. (2007) 'The distribution and returns to qualifications in the sector skills councils', *SSDA Research Report 21*, Wath-upon-Deane: Sector Skills Development Agency.

Fuller, A. and Unwin, L. (2008) *Towards Expansive Apprenticeships: A Commentary by the Teaching and Learning Research Programme*, TLRP: London.

Grugulis, I. (2002) *Skill and qualification: the contribution of NVQs to raising skills levels*, SKOPE Research Paper 36, SKOPE, University of Warwick.

HR Magazine (2009) 'Up Front: in the news – Education – 'Dumbing down' provokes fierce reaction' 1 March, www.hrmagazine.co.uk.

James, S. (2004) *Learning To Cook: Knowledge and Skill Construction in the Workplace*, D. Phil Thesis, University of Oxford.

James, S. (2006) 'Adding new ingredients to an old recipe: NVQs and the influence of CATERBASE', SKOPE Issues Paper 13, SKOPE, Cardiff University.

Lipsett, A. (2008) 'McDonald's A-level 'tough course', says Brown', *The Guardian*, 28 January

LSC (2007) *Requirements for Funding Work-based Learning for Young People and Adults 2007/08*. Learning and Skills Council: Coventry, UK.

McDonald's (2009) 'McDonald's puts apprenticeships on the menu for employees', www.mcdonalds.co.uk/about-us/latest-news/latest-news.shtml (downloaded 27/03/2009).

People 1st (2009) 'McDonalds puts apprenticeships on the menu', www.people1st.co.uk/news/latest-news/mcdonalds-puts-apprenticeships-on-the-menu.

Reuters (2009) 'McDonald's reports global comparable sales up 7.1% in January', uk.reuters.com/article/pressRelease/idUS128770+09-Feb-2009+PRN20090209?symbol=MCD.N (downloaded 27/03/09).

Vignoles, A. and Powdthavee, N. (2006) 'Using returns to education to understand sector skill needs' in Porter, S. and Campbell, M. (eds.) *Skills and Economic Performance*, London: Caspian Publishing, pp. 133-156.

Woods, D. (2008) 'McDonalds creates 4,000 jobs as demand for cheap food rises', *HR Magazine*, 6 August.

SKOPE Issues Paper Series

The purpose of the Issue Paper Series is to highlight some key areas of SKOPE's research and identify key findings that can inform policy makers, academics and practitioners.

For further information on SKOPE's work see the website: www.skope.ox.ac.uk

Published at the ESRC Centre on Skills, Knowledge and Organisational Performance, School of Social Sciences, Cardiff University, Cardiff, CF10 3WT.

¹ Based on 6000 16-18 year old apprentices at £3682 each.