

## Case Study

BAE Systems is an international company engaged in the development, delivery and support of advanced defence systems in the air, on land and at sea. The company employs approximately 100,000 people internationally and in 2010 generated annual sales of over £22 billion through its wholly owned and joint venture operations.

In order to meet its demand in the UK, BAE Systems typically recruits around 300 'New Starters' per year. They deliver Apprenticeships in Engineering and Business Administration at NVQ Level 3 and employ around 1000 apprentices.

*"A study looking at the economic impact of BAE Systems on the UK economy estimated that each employee contributed £78k of value add each year. On this basis, we believe that the cost of an Apprenticeship is paid back in little over one year."*

**Nigel Whitehead**

Group Managing Director, Programmes and Support

### Recruitment and retention

Advanced Apprenticeships are a critical element of the company's Early Career Strategy and complement its Graduate entry programmes. Just under 300 apprentices joined the company in 2010 and the current completion rate in engineering for 2009/10 was 87%.

### Career development

The Apprenticeship programme develops a range of skills to prepare apprentices for their careers. Many senior managers, such as Mike Turner, our former Chief Executive, started their careers as apprentices.

### Company values

Apprentices have proved over the years their ability to adapt to differing cultures across business units and working practices across the varying product base. They cope with a high learning curve on many safety critical products. Apprentices who start their working life with the company have a higher buy-in to company values and they complete their training with a very positive behaviour towards work.

## BAE SYSTEMS

### Loyalty

Apprentice loyalty has been demonstrated by a recent comparison undertaken of apprentice and direct entry recruits into BAE Systems' Warton and Samlesbury sites in 2002, 2003 and 2004. This showed that of the over 200 apprentices who were trained in that period only 5% had left the business, compared with 26% of direct entrants. Interestingly, the apprentices had demonstrated greater career progression. 30% of these apprentices had been promoted once since 2002, 24% twice and 4% three times. This compared with just 32% of direct entrants being promoted once and with none of them promoted more than once in this period.

### Economic impact

In an exercise that Oxford Economics undertook looking at the economic impact of BAE Systems on the UK economy, it estimated that each of its employees contributed £78,000 of value add per employee each year. This calculation was based on the sales that were made, subtracted by the goods and service that were bought in and then divided by the number of UK employees. The company estimates that an apprentice costs about £90,000 to train to completion, including salary, training and recruitment. On this basis the cost of an apprenticeship is paid back in little over one year.

### Diversity

BAE Systems works with schools and career advisers to break down gender segregation in engineering; its career road show, designed to challenge stereotypes about engineering, reached over 40,000 young people in 2010.

*Young women can offer a lot to science and engineering. If we can create a diverse environment, perhaps we can move the industry forward.*



**Rachael Hoyle**

BAE Systems Advanced Apprentice of the Year 2008