

Apprenticeships and internships on the up as employers move away from degree-first hiring

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Apprenticeships and internships are back on employers' radars as they increasingly look beyond degrees when recruiting early careers talent, a new report has revealed.

The 2026 Best Practice Early Careers Guide, published by [TST](#), a UK-based learning and development consultancy that helps organisations unlock potential through lasting change, found that organisations with strong internship-to-graduate pipelines retain 11 percentage points more graduates after three years than those without (73% vs 62%).

The research also revealed that internships attract 20% more applications per role than graduate programmes and 80% more than apprenticeships, highlighting growing interest in alternative routes into employment.

The report used Early Careers Optimiser (ECO) data to analyse recruitment, retention and early careers strategy across 30 global organisations jointly employing more than 2.75 million people worldwide.

Dr Khairunnisa Mohamedali, Managing Director and Chief Innovation Officer at TST, said:

"What we're seeing is a shift away from hiring based purely on qualifications and towards a broader assessment of skills, potential and adaptability."

"Employers are interested in what people can demonstrate they can do. As a result, apprenticeships and internships are becoming increasingly attractive to both employers and candidates."

"The last time graduate vacancies sat as low as today was back in 2012, so it's clear that early careers recruitment is changing. The question is how we equip young people with the skills and mindset needed to succeed in a working environment that is evolving faster than ever before."

Supporting stats from the National Association of Colleges and Employers (NACE) back up the trend. Its research suggested:

- 70% of employers now use skills-based hiring for entry-level roles.
- 46% of middle-skill jobs have dropped formal degree requirements.

Dr Mohamedali continued:

"Many organisations are recognising that talent doesn't always arrive through traditional routes. They're creating multiple pathways into their business and focusing on skills, attitude and potential alongside qualifications."

"At a time when competition for emerging talent is intensifying, internships represent one of the most effective ways for employers to build relationships with future talent before the graduate market even opens."

A return to in-person learning

The new direction of travel has also opened a debate about how to train the skills of the future – and whether the recent trend of online learning delivers success.

TST's statistics suggest another shift is in the pipeline:

- Organisations with the highest three-year retention rates strongly prioritise in-person learning, delivering an average of 63% of their induction content face-to-face, compared to just 27% among lower-performing functions.

Dr Mohamedali said:

"Digital content alone cannot replicate the social and cultural ties formed through in-person experience, and the retention data suggests that investment in those early human connections pays dividends long"

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after onboarding ends.”

Measuring success remains a challenge

The 2026 Best Practice Early Careers Guide also found that many organisations are struggling to earn stakeholder buy-in for early careers support.

- Organisations with strong stakeholder support invest an average of £2,500 per person per year in early careers training, compared with £850 among those without.
- Functions that lack senior advocates are nearly three times more likely to cite resourcing as a top challenge (60% vs 21%), creating a cycle where under-investment leads to underperformance.

AI is reshaping workplace readiness

The rapid rise of AI is also influencing the type of skills that employers value in early careers candidates.

The report notes that AI is increasingly automating routine tasks that have traditionally helped new starters learn and develop in the workplace, creating new challenges for employers looking to build future talent pipelines.

Dr Mohamedali said:

“AI is changing the nature of work, but it’s also changing the way people learn at work.

“Many of the routine tasks that once helped graduates build confidence and experience are becoming increasingly automated. That means employers need to think differently about how they develop early careers talent and create opportunities for learning.

“Technical skills remain important, but qualities such as adaptability, curiosity and the ability to learn quickly are becoming increasingly valuable as technology continues to evolve.”

TST’s 2026 Best Practice Early Careers Guide can be viewed

here: <https://www.wearetst.com/insight/insight-article.html?slug=best-practice-early-careers-guide-2026>

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