

The Student Journey Select Committee

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Policy context

The UK has one of the most flexible and lightly regulated labour markets in the EU, in that employers can hire and fire with comparative ease. However, over the past decade, individual rights to flexible working have increased. The dominant theme guiding UK labour market policy is to encourage labour-market participation.

Reducing the proportion of 16- to 18-year-olds not in education, employment or training (NEET) is a priority for the UK government. Being NEET between the ages of 16-18 is a major predictor of later unemployment, low income, teenage motherhood, depression and poor physical health. The Labour government's target (1997-2010) was to reduce the proportion of 16-18 year olds who are NEET by two percentage points by 2010.

Since this target was set, there has been a change of government to a coalition formed of the Conservative and Liberal Democrat parties. The coalition has confirmed the policy to increase the age of participation in education and training to 17 by 2013 and 18 by 2015. Through this policy, young people will be initially encouraged, and at the last stage mandated to remain in full-time education or to undertake work-based training equivalent to an apprenticeship until they are at least 18 year olds. Through this, the aim is to achieve minimum qualification to Level 2 and preferably higher levels.

The government has also confirmed an intention to expand apprenticeships to ensure that those young people who wish to work have opportunities to undertake training. It has introduced a number of schemes to support apprenticeship expansion including the opportunity for organisations to act as 'Apprenticeship Training Agencies', financial incentives to employers to introduce apprenticeships to their workforce, and pilots to assess how best to support the expansion policy. Each of these is now being evaluated.

However, other policies may disincentivise young people from continuing their education. For example, for 16-18 year olds, the government intends to remove financial support to continue in full-time tertiary education for all but the most disadvantaged, through ending the entitlement to Educational Maintenance Allowance. Furthermore, it ceased to support two national pilots which aimed to support the most vulnerable young people NEET back into training and learning. It is impossible to assess how the two policy directions (expansion of apprenticeship, removal of financial and other support) will interact. More certainly, the proportion of young people aged between 16-18 and not in education, employment or training has not showed much improvement and remains relatively unchanged at 8.5 per cent of the cohort (DfE SFR, final quarter 2010).

Youth unemployment (largely covering young people aged between 18 and 25) is rising, and young people have been particularly hard hit as the impacts of the global recession take hold in the UK. Recent figures suggest that one-in-five young people are unemployed. The group is highly heterogeneous and includes low and high skilled young people, ie graduates. The previous labour administration had introduced an Active Labour Market Policy, known as Future Jobs Fund, which encouraged public and third sector organisations to create short-term (on average six month) positions through which young people might gain valuable work experience to help them avoid the scarring effects of long-term unemployment at a young age. Young people who had been unemployed for six months were eligible for these posts. Jobcentre Plus part-funded the roles through routing benefit entitlements through the employer who would then pay the worker the national minimum wage.

This initiative was never subject to formal evaluation and ran contrary to the Coalition's vision for a reduced public sector. As a result, the initiative was closed and the government intends to introduce greater flexibility for unemployed people, including those aged between 18 and 25, to undertake work experience of up to eight weeks while maintaining their entitlement to financial support. This policy was confirmed in the recent budget statement.

A focus for the government is the provision of universal benefits and programmes. It will introduce a universal benefit (and remove the plethora of existing benefits) and provision, entitled the Work Programme, which will support all long-term unemployed people to make a transition to work. Private sector companies and social enterprises will provide the Work Programme and receive funding based on sustainable employment outcomes. People will become eligible for the Work Programme following 12 months of being unemployed. For young people, this duration of inactivity may be particularly detrimental and lead to entrenched behavioural and social challenges.

The government has also extended its review of the financial support available for university education. More of the cost of undergraduate study will be borne by the individual when they are in a position to repay ie have obtained employment at a defined salary point. In the process, the cap on fees for university study has been lifted and from 2012, students face a three-fold increase in potential costs. It is as yet unclear how this will impact on rates of unemployment, progression to higher education and the widening participation agenda which intends to increase the diversity of young people undertaking university studies.

What employers say they want

Recent evidence (Shury et al., 2010) shows that a minority of employers recruit young people direct from education, whether that is following compulsory, tertiary or HE. For example, six per cent of employers had recruited a school leaver, 11 per cent had recruited a young person aged 17 or 18, and 10 per cent had recruited a graduate aged under 24 to their first job.

Where young people had been recruited, a majority were seen as well or very well prepared for work although a significant minority were not (Shury et al. *ibid.*). Among those employers who had recruited a 16-year-old, two-thirds (66 per cent) felt the young worker was well or very well prepared; for those recruiting 17- or 18-year-olds, this proportion rose to 74 per cent; and for graduates it reached 85 per cent.

More generally, the analysis demonstrated that the labour market was somewhat constrained at the point of the survey, with the number of vacancies available having fallen compared to previous surveys (Shury et al. *ibid.*). It is also salient to note that the proportion of hard-to-fill vacancies had fallen compared with previous surveys.

It is plausible to suggest that young people are facing considerable competition in the labour market and need to be able to demonstrate skills and attributes that set them apart from others. Gaining qualifications beyond Level 2 would appear to contribute to greater likelihood of gaining work, and young people with higher levels of qualification appear better equipped for work.

What employers look for when recruiting

When they are recruiting, employers assess a range of personal attributes, skills and qualifications. Their emphasis on each of these varies by occupation and sector. The qualifications demanded by employers at the recruitment stage also vary by sector and occupation. Taylor (2005) reports a competency-based employability framework (see Table 3.1) which offers a view of the mix of personal attributes and skills that employers seek. Bunt (2005) assesses these to be motivation, flexibility, willingness to work and learn, appearance, behaviour, confidence, and positive mannerisms.

Table 3.1: Employability skills framework

Employability

Attributes		Soft skills
<ul style="list-style-type: none">• Loyalty• Commitment• Honesty & integrity• Enthusiasm• Reliability• Personal presentation• Common sense	<ul style="list-style-type: none">• Positive self-esteem• A sense of humour• Balanced attitude to work & home life• An ability to deal with pressure• Motivation• Adaptability	<ul style="list-style-type: none">• Communication• Teamwork• Problem-solving skills• Self-management skills• Planning & organising• Technology skills• Learning skills• Initiative & enterprise skills

Source: Taylor, 2005

The evidence suggests that employers may be less demanding about technical skills when recruiting: they may consider training to improve technical skills should applicants demonstrate an appropriate mix of employability and soft skills, and positive attributes (Winterbotham et al., 2001). However, young people may not understand this to be the case since they emphasise the need for technical skills over soft skills (ORC, 2010).

While there appears to be a greater emphasis on soft skills over technical skills (for instance, problem-solving and communication skills), how these are measured is often an inexact process. Evidence suggests that employers rely on their perception of the interaction with potential recruits at interview (Hogarth and Wilson, 2003; Maguire and Newton, 2010). Similarly, perception of the interaction at an interview is all important to the assessment of positive attributes.

Long duration unemployment is an area of concern for employers, and some perceive that job candidates who have been unemployed for an extensive period will lack any work preparedness. This may fuel a concern that recruits from this group are more likely to quit at short notice and after only a short period in work (Devins and Hogarth, 2005).

While many employers rank demands for qualifications beneath their need for positive attributes and soft skills in recruitment frameworks (Bunt, 2005; Jenkins and Wolf, 2005; Maguire and Newton, 2010), qualifications are frequently used to inform the short-listing process. Hence it is increasingly important that young people achieve their potential, in terms of their qualifications, in order to gain access to a job interview.

Employing lower-skilled young people

There is some evidence to suggest that employers may be willing to disregard or downplay qualifications if applicants display other positive personal attributes (Canny, 2004; Jenkins and Wolf, 2005). Furthermore, employers will not always look for the possession of well-developed soft skills in young candidates, instead looking for indicators of potential to develop these (Dench et al., 1998). Where young people have little or no work experience extra curricula activities – such as volunteering – may be used as the basis for assessing employability and soft skills (Dench et al. *ibid.*). A further consideration may surround perceptions of whether the young employee could be moulded to fit in the organisation's culture (Fuller et al., 2005; Maguire and Newton, 2010).

Employers of young people may also seek evidence of dependability and commitment, which might be measured through their school attendance rate or a reference from school or other agency (Fuller et al., 2005). Qualifications however remain important and employers may set minimum qualification requirements. They may also require applicants to sit a series of aptitude tests, as well as attend an interview, particularly if recruiting to apprenticeships (Fuller et al. *ibid.*).

Employers may have particular concerns about recruiting long-term unemployed young people, although their considerations in recruitment may also slightly vary for this group. For example, Elam and Snape (2000), reporting an Active Labour Market Programme (ALMP), found an emphasis on potential, a good attitude to work and a willingness to train and learn the ropes, and 'work readiness rather than job readiness'. Employers felt it was valuable for young people to combine the ALMP work with training and to gain qualifications in order to support their transitions to work, although it could be difficult to deliver a qualification within the duration of the ALMP.

The needs of lower-skilled unemployed young people

Young people who are disadvantaged and/or NEET, often have an ingrained sense of failure as a result of either their earlier experiences of education, or problematic or chaotic personal circumstances (Vernon, 2006). While the group considered NEET is highly heterogeneous, the most vulnerable young people have a greater likelihood of unemployment at a young age. The group includes young people with disabilities, and young parents and carers (Maguire and Thompson, 2007). This suggests that the group is likely to require considerable support in order to make a transition into work or learning.

Long-term inactivity or unemployment can lead to a sense of listlessness and a lack of focus or direction. Working with someone to review progress may enable an individual to gain a better understanding of the progress they are making, which can help embed a sense of achievement (Newton et al., 2009).

The evaluation of the Activity Agreement Pilots, which aimed to re-engage and support young people not in education, employment or training (NEET), demonstrated that confidence was at the core of young people's development and progression. The evaluation also showed that confidence did not result from focused confidence-development activities: instead it emanated from achievement of a range of activities and different types of accreditation or certification. Regular monitoring of progress including regular reviews with their advisers helped young people to understand their achievements and to develop increased confidence and improved self-esteem.

Work transitions of more highly skilled young people

Graduates have enjoyed a higher rate of employment than their peers (Bates et al., 2009). However, in recent years unemployment rates have been increasing for new graduates and evidence shows that those emerging from Higher Education (HE) are facing increasing competition (HESA, 2010). Three in five HE students expressed a concern that growing numbers of graduates would make it hard for them to get a graduate job (Johnson et al., 2009). A degree is no longer enough to secure a job – graduates need to have something extra.

A focus on the employability of graduates has been assisted by the additional income received from the increase in tuition fees introduced in 2007. It is set to increase further with the plans set out in the policy document 'Higher Ambitions: The Future of Universities in a Knowledge Economy'(2009) and be re-enforced by the recommendations of the Browne Review (2010). This requires all universities to state how they promote student employability. Furthermore, employability factors such as prospects for term-time employment, and the employment track records of alumni are becoming more important in student choices about higher education (HE).

What do employers want from graduates?

There is a history of employers bemoaning the quality of new graduates, with criticism centred on a lack of employability skills such as business awareness, self-management, ICT skills, and team working skills. The Confederation of British Industry (CBI) found that although employers were generally more satisfied with the employability of graduates (than school or college leavers) '*significant problems still remain*'. One in ten reported that graduates lacked basic literacy and numeracy skills, one-quarter expressed dissatisfaction with time management and problem-solving skills, and half were concerned about graduates' lack of business and customer awareness (CBI, 2010).

A key mechanism to develop employability and employability skills is practical experience, which if engaged in alongside HE study can raise the profile of a graduate when competing for jobs.

'The value of experience gained through volunteering or work emerges strongly when employers are asked for their most important advice for a young person looking to find employment in a difficult labour market. Two thirds of employers – rising to nearly three quarters of the largest employers – believe practical experience is the most valuable step young people can take to improve their prospects.'

CBI, 2010

Student and graduate engagement with work

Many HE students work while studying: Johnson et al., (2009) found that around half of full-time students had undertaken paid work during term-time and the vast majority had worked during the summer vacation. This appeared to be driven by a need to top-up income or 'pay their way' rather than gain experience.

Moreover, soon after graduating most graduates gain paid work, although this may not be graduate-level work or in a permanent or career position. Generally, graduates recognise that they will need further work experience in order to progress in their careers, and for some, work placements or internships can lead to more permanent roles. Graduates value work experience as a means to demonstrate their commitment to an industry and their understanding of the work area (Pollard et al., 2010). Work experience also builds contact networks that can be essential for entry to particular careers (Ball et al., 2010).

The importance of work experience to graduates was acknowledged with the launch of the Graduate Talent Pool (GTP) in summer 2009. This was essentially a brokering service, matching graduates to employers with placements or internships, in order to improve the long-term employability of recent UK graduates.

Evaluation of the GTP (Mellors-Bourne, Day, 2011) reported that graduates found the internships (paid or unpaid) to be a positive experience that they would recommend to others, and felt they had gained substantially in terms of employability, skill development and self confidence. They had gained work experience, which they saw as 'the first step along the road to their career' and which they could evidence in future job applications. A substantial group, around one-third, went on to long-term

employment with their internship employer, and others moved on to gain work with different employers.

Practical experience is important for all

While the lower- and higher-skilled labour markets operate in different ways, and the challenges associated with high- and low-skilled young people making a transition from education to work are quite varied, there are some areas of commonality. These surround the application of soft skills and the demonstration of positive attributes within a practical setting. However, the extent to which these two groups (low- and high-skilled) can be autonomous in seeking out opportunities is likely to vary considerably as well, and the most vulnerable are likely to require high levels of support to engage in practical, developmental activities.

Recent research (Newton et al., 2011 – forthcoming) has shown that volunteering can provide a route to gaining this practical experience and also provided additional benefits surrounding the opportunity to make a contribution in society which led to an increased sense of wellbeing. Volunteering was valuable since it offered an opportunity to experiment (to support making a choice about career and thereby shaping future training/learning goals), the chance to demonstrate and develop positive personal attributes and soft skills all in a supportive and sheltered environment. Gaining opportunities to ‘experiment’ in the field could lead to raised aspirations.

Supporting and training the most vulnerable

Motivations and attitudes of low skilled young people

The causes and consequences of gaining few or no qualifications while at school are well understood, hence attention has turned to the motivation and attitudes of young people in this category to further learning and work. Spielfoffer et al (2009) identify three sub-groups within those currently disengaged from learning in England as:

- **Open to learning:** those who made a poor choice in terms of progression following school and subsequently dropped out, but would be keen to take up a more suitable opportunity. This cluster is likely to be qualified to Level 2.
- **Undecided:** those unable to decide what they want to do, or unable to access the provision they want to pursue locally; have negative attitudes to school and the provision available; may lack resilience/skills to pursue opportunities.
- **Sustained:** often from deprived backgrounds, with no recent history of employment; having low educational attainment; and with very negative experiences of school, including a record of truanting.

Source: Spielfoffer et al., 2009

Another typology serves as a reminder that not all reasons to leave education are negative). Vernon, 2006 cites an Australian study (Dwyer, 1996) which identifies six types of early school leaver with different needs and motivations:

- **Positive leavers** who leave school to follow a specific career path such as an apprenticeship or employment
- **Opportune leavers** who take up a job or opportunity that presents itself before completing school
- **Would-be leavers** or **reluctant stayers** who plan to leave school as soon as an opportunity presents
- **Circumstantial leavers** who leave school for non-educational reasons such as low family income or other family needs
- **Discouraged leavers** who leave school because they are not succeeding at school and have low levels of performance and interest
- **Alienated leavers** whose needs are difficult to meet at school and for whom positive post-school experiences are crucial.

Source: Dwyer, 1996

This indicates the complex nature of the group of young people with low or few qualifications which include personal, social and institutional barriers and opportunities to the reconnection of young people with learning. However, the challenge for policymakers and training providers is to find the appropriate mechanisms, learning and training modes that can encourage young people to re-engage and achieve their potential.

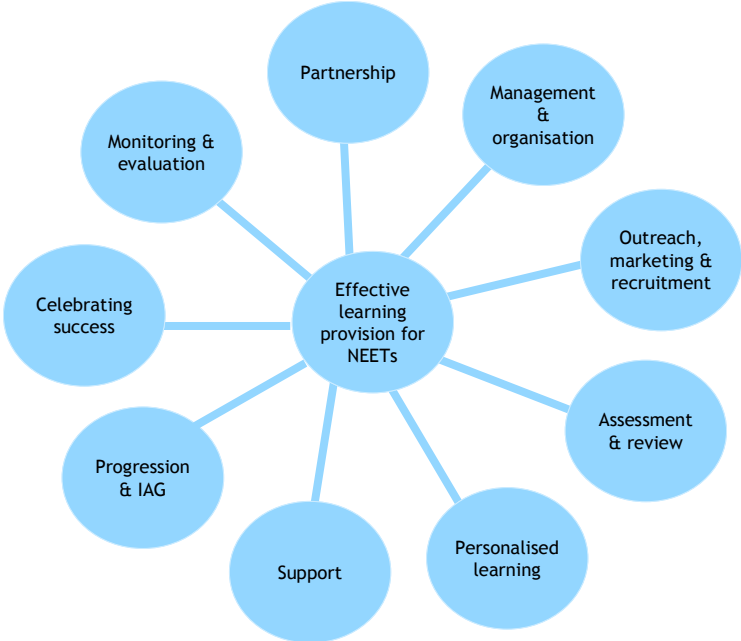
This group may have an entrenched sense of failure and may need support to re-enter formal learning environments (Vernon, 2006). A staged process, and off-site provision, may be necessary for them to reconnect with formal learning (Newton et al. 2008). There is growing consensus internationally that vulnerable young people require intensive support and information, advice and guidance, and personalised, tailored learning experiences (Dooley and Vallejo, 2007, Maguire et al., 2009; Cedefop, 2010). More generally, young people need information about the world of work. Research (Newton et al. , 2007 and 2006) showed that parents remain a key source of careers IAG. Depending on the work parents do and know about, a young person's exposure to careers options can be considerably limited. It is essential therefore that practical IAG is built into the curriculum – to raise aspirations, confirm or change course with regards to future career choices. Our research demonstrated that the provision of tasters was an effective way to deliver this.

Re-engagement, rather than training, is often a prime focus and attempts to make re-entry an attractive option. Steer (2000), based on a meta-assessment of research and a number of evaluations argues that it is vital that this group of young people is offered opportunities, activities and services that interest them (which he terms 'magnets') for example, cultural magnets such as music, sports, or arts, and/or financial magnets for example cash vouchers or payment for regular attendance. Residential trips, use of leisure facilities and access to technology (computers and

recording equipment) have also proven as successful magnets, along with youth workers who have charisma, leadership skills and the ability to relate to young people. Many of these 'magnetic' features were adopted as part of the Activity Agreement Pilots, the evaluation of which also demonstrated the importance of intensive and sustained support from an adviser and demonstrated some success in assisting young people to achieve qualifications (Newton et al. 2008; Maguire and Newton, 2009; Maguire and Newton, 2011).

A consortium of inner London boroughs in England sought to identify the characteristics of effective provision for early school leavers in order to inform the creation of a collaborative and inter-supported system of outreach, provision, environment, monitoring and guidance (Swift et al, 2008). The factors assessed as necessary are illustrated in Figure 1. While not all of the institutions examined by Swift et al. (ibid.) exhibited all these features, it is likely to be the interaction of these factors that has the potential to reduce the numbers of those not in education or training. As the figure illustrates, a whole system approach is required and many factors exemplify general good practice rather than good practice for addressing early school leaving *per se* (Newton et al., 2007) such as IAG and celebrating success.

Figure 1: Characteristics of effective provision



Source: Swift et al. 2008

Haywood et al. (2009) concur with many of the factors in the figure and note that policy solutions for re-engaging and training vulnerable young people need to put communication with young people at their centre, and focus on achievement rather than deficit models. There is also a need to address discipline issues such as bullying in order to provide a safe environment for vulnerable young people. Evidence points to the necessity of the following components:

- **Greater flexibility** including part-time, evening and weekend courses, and flexible start dates including roll-on, roll-off provision
- **Alternative curricula** including on-the-job learning, an emphasis on soft skills, work-based and practical learning
- Making greater use of **informal learning**.

Further to these factors, Ferguson et al. (2005) suggest caring and supportive teachers, small classes and off-site provision, and options for individuals to pace their own learning. Redistributing the power and decision-making to 'make greater room for the voice of the learner' is a point made by Ferguson et al. (ibid.) with which several other studies concur (Nuffield Review, 2009; Speilhoffer et al, 2006; Riley et al., 2006). Involving young people themselves in the decisions about their education is seen as a fundamental part of changing their attitudes to staying on (Riley et al. ibid.; James, 2005).

A debate has evolved over whether sufficient account has been taken of different learning styles. It is suggested that varying these can enable different types of learner to make the most of their learning experiences. In addition, the reconfiguration of learning objectives to place greater emphasis on developing soft skills than knowledge can benefit some learners. A case example is the inclusion of personal, learning and thinking skills in the Diplomas. A consortium of providers in Dagenham and Barking has sought to ensure that learning frameworks deliver the skills sets of: an independent enquirer, a creative thinker, a team worker, a self-manager, and an effective participator. These skill sets may present a stronger link to what employers say they want from young people (eg Jones et al., 2010; Shury et al., 2010) and thereby help to ease learning-to-work transitions.

Financial support and incentives can be effective in promoting sustained engagement with learning among young people (Maguire and Thompson, 2006; Haywood, 2009; Finn and Branosky, 2004). However, the effects of financial support may be linked to non-pecuniary incentives such as individualised and tailored learning, as seen in the operation of the Activity Agreements in England (Johnson et al., 2008).

There is a growing debate about delivering training in order to develop entrepreneurial skills for those who have left school early. While this may be effective for some in the early school leaver group, it may require a level of motivation and capability that is beyond most vulnerable. Examples include ESF-funded provision, and the '*Determined to Succeed*' project in Scotland which aimed to prepare young people for the world of work through enterprising and entrepreneurial learning, work-based vocational learning linked to focused careers education. While the Scottish Government has gathered evidence about the value of enterprise education, and

made recommendations, it had not evaluated the provision developed at the time of the current review.

Cedefop (2010) note that entrepreneurship education can help young people to develop the attitudes (personal responsibility) and skills (flexibility and creativity) necessary to cope with the uncertain employment paths in contemporary societies. The study also reports that such programmes have been effective at keeping students from low-income urban backgrounds on the academic track and can be a significant force in driving them towards high achievement (Cedefop 2010 *citing* United Nations, 2000).

Concluding points

In considering the needs of young people it is clear that a one-size fits all solution is inadequate, and a segmented approach is necessary to address the needs of the range of young people who are currently unemployed.

Expansion of apprenticeships is valuable although young people require a certain standard of qualification and need to be work-ready. The most vulnerable may not be in this position and may require an alternative, but motivating setting in which they can gain skills, experience, personal attributes such as time-keeping along with qualifications.

For graduates, building a work profile in the chosen sector may be a greater concern although the shift towards unpaid internships on graduation, rather than work, is problematic.

All young people require support and guidance to support them to make choices. The forms this takes may vary but it is necessarily that advice is timely and available and young people know where to seek support.

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