



Avoiding a lost generation -

Preparing young people for work now and in the future
Recommendations of the REC UK Youth Employment Taskforce

Recruitment &
Employment
Confederation



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Employers, recruiters, welfare providers, Trade Unions and educationalists have a critical role to play in addressing this issue.

Foreword Baroness Margaret Prosser

We know from previous recessions that significant periods of unemployment early in a young person's working life can have serious consequences on their future job prospects.

This is an issue which should concern us all. The direct cost of youth unemployment is substantial: the Prince's Trust has put a figure at £4.7 billion a year after taking into account productivity loss and the cost of benefits. If a generation of young people is scarred by unemployment then this is not only damaging for them, it undermines the development of the UK's future workforce.

Employers, recruiters, welfare providers, Trade Unions and educationalists have a critical role to play in addressing this issue. It is not just about government programmes, although these clearly have a crucial role to play. In the current climate, we cannot expect any increase in public funding. What we can expect is for funding to be effectively targeted and to deliver real progress.

Many schemes have not delivered the desired outcomes. We need to take stock and learn from these in order to improve what we do over the next few years.

One thing that stood out during the meetings of the Youth Employment Taskforce was the amount of activity that employers and recruiters are already taking forward. There is a genuine commitment within the business community to play a leading role in helping to build bridges into the world of work and to address one of the greatest challenges facing our society.

Addressing youth unemployment has been identified as a major priority for the new coalition Government. This report pinpoints a number of specific actions that can help make a real and lasting difference.

Baroness Margaret Prosser

Chair
REC Youth Employment Taskforce

Foreword

Kevin Green

The UK has a big problem. There are nearly one million young people who are not in education, employment or training.

The driver for the REC establishing the Youth Employment Taskforce was the urgent need for some fresh thinking from employers, recruiters, business bodies and educationalists with a real desire to make a difference.

The future generation of workers are not getting the skills and experience they need to take the crucial first step onto the jobs ladder. Many will be faced with repeated episodes of unemployment. This is bad news for the UK labour market with many young people not participating nor contributing. The implications for the UK economy as a whole are important – we are not building the talent pipeline that we need to compete over the next decade.

The UK labour market – while it has performed better than in previous recessions and than our international competitors – remains fragile. Spare capacity in companies and anaemic economic growth means that the predicted 'jobless recovery' is a possibility. There were still 500,000 vacancies in April 2010; there are opportunities but there is no doubt that young job-seekers are facing an increasingly competitive jobs market.

These young people risk becoming a 'lost generation' unless action is taken by all those with a role to play.

Government does not have the resources or all the answers. The Taskforce uncovered some systematic and deep-rooted issues. These too need to be addressed to best prepare our young people for a working life which is likely to be close to fifty years!

Recruitment professionals are well versed at facilitating the job search process and so are ideally positioned to highlight what hinders young people getting their first job. Employers must be central to the debate on youth unemployment as they are the end-users of the education and training pipeline.

This report is not an end in itself; it is part of an ongoing process. The recruitment industry is committed to working with employers, business bodies, Government Departments and third sector organisations to build opportunities for a generation of young job-seekers.

Kevin Green

Chief Executive

Recruitment & Employment Confederation

The driver for the REC establishing the Youth Employment Taskforce was the urgent need for some fresh thinking from employers, recruiters, business bodies and educationalists with a real desire to make a difference.



Avoiding a lost generation - preparing young people for work now and in the future

Executive Summary

One of the key challenges we face is the 'expectation gap' that currently exists between job-seekers and employers.

Increasing unemployment levels are having a disproportionate effect on those aged between 16 and 24. Nearly a million within this age group are currently out of work, a whole generation of young people risks being scarred by long-term unemployment.

This is not just an issue for Government, the business community and for the recruitment industry in particular are committed to enhancing opportunities for young job-seekers and helping to build bridges into the world of work. In order to do this, we need to highlight how the employment landscape in the UK is evolving and of how attitudes to work are also changing. One of the key challenges we face is the 'expectation gap' that currently exists between job-seekers and employers.

The evolving employment landscape

There has been much debate on so-called 'jobs of the future' – particularly those linked to the green economy and technology. More needs to be done to raise awareness of what the future employment landscape will look like and to develop the kind of skills and knowledge that will be needed to compete for these new jobs. We also need to raise awareness of current shortage areas – for example, care and social work – where opportunities exist.

Key findings from the Taskforce are that:

- The current careers service does not adequately prepare our young people for the world of work. We need to ensure that the young people in the UK have an understanding of the world of work by the time they are 14. This should then be built upon during the years from 14 to 21 when young people are preparing to enter the jobs market.
- In order to drive real progress in this area, schools/education establishments should be given specific targets and incentives to develop employer-led careers guidance.
- Businesses and recruiters have an important role to play by investing time and resources in partnering with education providers to create the world-class career guidance services that we need.
- In addition to a deep-rooted reform of careers guidance services, priorities for Government are to ensure that funded training schemes reflect the current and future skills needs of employers and to encourage entrepreneurship through better programmes of support and mentoring.

Executive Summary Cont...

- Improving the quality of vocational training for 14-19 year old was identified by the Taskforce as a major priority. The creation of new 'Technical Academies' to offer vocational training and qualifications in growth industries would send a powerful signal and further enhance perceptions of vocational options.

Changing attitudes and overcoming barriers

There has been much - perhaps too much - debate about the changing attitudes of young people to the world of work. What is clear is that more needs to be done to raise awareness of the world of work amongst future generations of workers and to understand some of the practical barrier that exist both now and in the future.

There is a real mismatch in terms of what young people think employers want and what employers are really looking for. Students perceive employers as principally wanting skills and knowledge. However, employers said their goal was to find people with the right attitude and ability to work with others. This mismatch can be addressed by improving links between business and academia on both a national and local level.

There is not 'a' youth unemployment issue, there are several. The challenges facing university graduates are very different to those facing those looking to enter the jobs market straight from school. The issues for those with no qualifications or experience are very different to those who have some academic or vocational achievements. Effective 'segmentation' is needed to understand and address different barriers – this is an area that the Equality & Human Rights Commission (EHRC) is already focusing on.

Key findings from the Taskforce are that:

- Adapting the content and structure of courses to help young people develop work-place skills and occupational experience must be included in all qualifications – GCSEs, A levels and degrees. This will address the 'expectations gap'.
- Alongside this, employers must be prepared to adapt to changing priorities and attitudes to work. Young job-seekers are looking for different things from their work – variety, flexibility, a sense of purpose and the opportunity to take on new challenges. There are real benefits for employers who are prepared to innovate and 'tap into' different skills and mind sets.
- The fact that not enough people are studying subjects in science, technology, engineering and mathematics (STEM subjects) is well documented. Making progress on this is crucial in order to drive UK competitiveness and to provide opportunities for young people.

More needs to be done to raise awareness of the world of work amongst future generations of workers and to understand some of the practical barriers that exist both now and in the future.



Avoiding a lost generation - preparing young people for work now and in the future

REC data highlights commercial awareness, project planning and analysis skills as increasingly sought-after competencies.

Executive Summary Cont...

- At the same time we also need to raise the generic skills that employers are looking for. As well as the 'usual suspects' such as effective communication and teamworking, the latest REC data highlights commercial awareness, project planning and analysis skills as increasingly sought-after competencies.
- The feedback from employers on the Taskforce is that customer skills are becoming more critical. Workers in a wide variety of jobs need to be able to relate to the customer even if they are not operating in a customer focused role.
- Effective 'segmentation' is needed so that actions are properly targeted. This must include a focus on equality of opportunity for young people from all sections of society – for example, the specific barriers facing young job-seekers with disabilities.
- There are opportunities to 'tap into' existing expertise to help overcome specific barriers to employment. For example, professional recruiters can provide value-added expertise to job centres and careers services such as CV writing and interview skills.

Building bridges into work

The lack of practical experience is a major barrier for young job-seekers entering a competitive jobs market. Building bridges into the world of work must be a shared responsibility between Government, business and academic institutions, if we are to avert the threat of a lost generation.

- Addressing youth unemployment also means making it easier for employers to recruit. The Taskforce welcomes the coalition Government's commitments to cut red tape, simplify taxation, promote small business procurement and end the 'gold-plating' of EU rules.
- Government must continue to look at practical measures for stimulating employment - for example, through a two year National Insurance holiday for each additional young person employed in the private sector.
- Employers have been forced to become increasingly 'lean', there is little spare capacity to manage internship or apprenticeship programmes. Providing assistance to employers – especially SMEs – on how to run these schemes would be a cost-effective use of limited public resources.

Executive Summary Cont...

- The Taskforce underlined real concerns over funding for apprenticeship schemes in different sectors. For example, employers in construction are facing increasing costs rather than increased incentives to provide apprenticeship opportunities. More needs to be done to promote apprenticeships to older age groups and to develop models across an increasing number of sectors, particularly for service sector jobs. Sector Skills Councils must play a leading role here.
- Government action is needed to promote temporary employment as a stepping stone into the labour market by streamlining the benefits system and removing disincentives for job-seekers to take on short-term assignments that can often lead to other opportunities.
- Business and recruiters must play a role by developing more internship programmes and developing frameworks and standards for the running of these schemes; business organisations and trade bodies must take a lead on this. Recruitment agencies need to do more to actively promote internships to their clients.
- Careers advisers and Jobcentres have a primary role to play by promoting alternative routes into employment, such as temporary work, internships, apprenticeships and self-employment.

There are a huge number of schemes already in place and one of the aims of the Taskforce report is to highlight what is working well. Many of these are not Government sponsored but have been developed by employers or academic institutions.

There is a genuine commitment within the business community to play a more active role. Employers and professional recruiters are in daily contact with young job-seekers and have a wealth of expertise in addressing barriers and bridging the 'expectations gap'. The priority for Government is to develop targeted and cost-effective measures to facilitate this engagement in order to increase opportunities for the next generation of young people.

Only by working together can we provide today's young job-seekers with the support and opportunities needed to avoid the threat of a 'lost generation' of young people.

Government action is needed to promote temporary employment as a stepping stone into the labour market by streamlining the benefits system.



Avoiding a lost generation - preparing young people for work now and in the future

The Taskforce focused on key areas where employers and recruitment professionals can add real value to the debate.

Background

The Youth Employment Taskforce was set up in November 2009 by the REC under the chairmanship of Baroness Prosser, Deputy Chair of the Equality and Human Rights Commission (EHRC). The initiative brought together employers, recruiters, welfare providers and representative bodies with additional input from educationalists and organisations such as the CBI and Jobcentre Plus.

Members of the Taskforce:

Baroness Prosser, Deputy Chair Equality and Human Rights Commission (Chair)

Martin Fallon, Operations Director, Reed in Partnership

Chris Bishop, Wing Commander, RAF

Jayne Mee, Group HR Director, Barratt Developments PLC

Sej Butler, European Recruitment Manager, IBM

Angela O`Connor, Chief People Officer, NPIA

Amanda Fone, Managing Partner, F1 Recruitments

Jes Ladva, Director, Synarbor

Sarah Gordon, Associate Director, Sammons Group

Andy Robling, Public Sector Director, Hays

Ruth Harper, Head of Corporate Affairs, Manpower PLC

David Yeandle, Deputy Director of Employment Policy, EEF

Gerwyn Davies, Public Policy Advisor, CIPD

Clare Normanton, HR Director, Eurostar

Kevin Green, Chief Executive, REC

The Taskforce heard specific evidence and representations from:

Ruth Spellman, Chief Executive, The Chartered Institute of Management (CMI)

Dr Philip Frame, Director of Work Based Learning Programmes at Middlesex University

Paul Marshall, Executive Director of the 1994 group

Guy Bailey, Senior Policy Advisor, Confederation of British Industry (CBI)

Remit:

The Taskforce focused on three key areas where employers and recruitment professionals can add real value to the debate:

1. How is the employment landscape in the UK evolving – what are the jobs of the future for young job-seekers?
2. How are the attitudes of young people towards the world of work changing and what skills do they need to succeed?
3. How can we build effective bridges into the world of work and help young jobseekers succeed in a highly competitive job market?

Chapter one

1.1 The current job market for young people

During the recession the economy contracted by over 6% and unemployment rose to 2.51 million by April 2010—a million of whom were aged between 16 and 24.

While unemployment has not peaked at the levels originally feared, it is clear that employers retained capacity and that improvements in economic demand will not lead to significant job creation, at least for young people.

Many companies were able to avoid or minimise redundancies programmes in 2009 by reducing salary costs through encouraging short- or part-time working, salary freezes and sabbaticals. As a result, when demand returns their first step will be to increase working hours of existing staff rather than recruiting new staff. Employers also perceive that recruiting young jobseekers is more expensive due to the need for training required. When the economy is growing, employers hire for potential, but when times are tough practical skills and experience, that can be deployed immediately, are more in demand.

Given this, it is going to remain difficult for young people trying to establish a foothold in the labour market at least for the next 18 months.

The previous Government's plans to tackle youth unemployment were outlined in a white paper published at the end of 2009, *Building Britain's Recovery: Achieving Full Employment*. This included proposals to offer employers a subsidy for taking on 16-17 year old apprentices and to double the advanced apprenticeship system for young adults. Internships were recognised for their value in allowing young people to build up practical experience to help them find a route into work.

But these positive steps - which the new Government may or may not continue - will not alleviate the problem faced by young jobseekers. A whole generation of young people risks being scarred by long-term unemployment – and potentially lost to the workforce altogether

For all the above reasons, it is crucial for the business community as a whole and for the recruitment industry in particular to put forward practical proposals for enhancing the employment outlook for young job-seekers.

It is going to remain difficult for young people trying to establish a foothold in the labour market at least for the next 18 months.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter one Cont...

More needs to be done to raise awareness of what the future employment landscape will look like.

1.2 The changing employment landscape

What are the 'jobs of the future'?

There has been much debate on the so-called 'jobs of the future' – particularly those linked to the green economy and technology.

But there are already severe shortages in areas such as social work where approximately 1 in 9 positions remain unfilled. In the care sector, many roles are filled by overseas workers and demographic change will further increase the need to attract a new generation of workers to this area. Even teaching roles can be difficult to fill as a large number of teachers are moving overseas.

If we do not generate an effective pipeline of young people with the right skills to perform these roles in the future, it is likely that employers will have to import talent. As a partner in a major UK pharmaceuticals company remarked: 'I am more likely to go abroad to fill graduate vacancies as they tend to display a wider range of skills. I can get scientists with sound business and financial acumen.'

More needs to be done to raise awareness of what the future employment landscape will look like. As a country we need to develop the kind of skills and knowledge that will give young people the ability to compete for these new jobs. This in turn means that employers must be given the opportunity to help education providers align their programmes to those future requirements.

For example, EEF, the industry body for engineering and manufacturing employers in the UK, confirmed that whilst the 'jobs of the future' will vary from sector to sector, there is a general desire from employers for effective communication skills. Products and services are becoming increasingly customer centric and so require staff who are able to relate to the customer. There is also a need for more commercial and organisational awareness amongst young people.

It is clear that the current careers service is inconsistent and poorly funded, and in need of a major overhaul. As CBI Director General Richard Lambert said 'if you want to break the cycle of youth unemployment you need to start with the way the education system works'¹.

1. Quote by Richard Lambert, speaking at a conference organised by Deloitte, the business advisory firm (February 2010).

Chapter one Cont...

There is clearly a need to ensure that those at the front line of advising young job-seekers are provided with the latest data on employers' needs and understand the employer agenda. This is a shared responsibility between those providing the advice (Jobcentre Plus, careers services etc...) and business organisations. One way to ensure that those delivering career guidance are in touch with employers' needs and the evolving jobs landscape would be by being members of employer bodies such as the Institute of Recruitment Professionals (IRP).

Jobs of the future

Taskforce members identified some of the sectors and roles where we will see growth in demand over coming years.

Thousands more **engineering and technical workers** will be needed in the UK over the coming years. The RAF is just one of the organisations on the Taskforce reporting a growing need for young people who have high level technical skills.

In the **construction** sector, changes in the use of materials and new methods of consultation will mean changes in the knowledge and skills required from the workforce. Opportunities for young people will also come with the need for compliance with Government regulations to promote sustainable construction.

Technology is another sector which will see a substantial growth, with employers looking for specific digital skills such as network support and web development, as well as knowledge of social media, commercial awareness and the ability to manage information.

Of course, not all future jobs will be highly skilled. The Ambition 2020 report by the UK Commission for Employment and Skills (2009)¹ underlined the fact that we will continue to see significant demand for jobs at the bottom end of the labour market. The issue is whether these relatively low-skilled jobs can be filled by young UK job-seekers and the extent to which workers can subsequently progress within the jobs market.

1. The Ambition 2020 Report was the Commission's first annual assessment of progress made towards the UK being a world leader in employment and skills by 2020.

There is clearly a need to ensure that those at the front line of advising young job-seekers are provided with the latest data on employers' needs and understand the employer agenda.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter one Cont...

There is a need to ensure that the UK's young people have a robust understanding of the world of work by the time they are 14.

1.3 A deep-rooted reform of careers guidance services is essential

The current careers service does not adequately prepare our young people for the world of work. Recruiters regularly confirm this lack of awareness. There is a need to ensure that the UK's young people have a robust understanding of the world of work by the time they are 14. This should then be built upon during the years from 14 to 21 when 50% of our young people are preparing to enter the jobs market.

One way of building this awareness is to encourage those providing careers guidance to become members of employer bodies such as the CIPD or the Institute of Recruitment Professionals (IRP) and to ensure that the training and qualifications for careers guidance professionals are regularly reviewed.

The Careers Profession Task Force (CPTF) that was established to review current guidance and support procedures has already consulted with employers. On the back of the recommendations of the Youth Employment Taskforce, the REC will provide a further submission before the CPTF publishes its report in the Autumn.

The 'Staying On' report by the Equality and Human Rights Commission (EHRC) looks at practical ways to optimise the benefit of the additional years of education. One of the key optimising factors identified in the report is the availability of careers guidance and support. The question then becomes how effective is the guidance currently being provided. As a result, the EHRC will later this year be publishing a follow-up report into the effectiveness of the careers advice given to young people.

Enhancing this support and guidance will deliver immediate benefits. It can help orientate young job-seekers towards employers with high volume recruitment needs in sectors such as retail, leisure and hospitality and building. In the longer-term, it will also help to raise awareness of job opportunities in some of the high-skills growth areas of the future.

Chapter two

How are attitudes to work changing?

There has been much—perhaps too much—debate about the changing attitudes of young people to the world of work. However, it is clear that more needs to be done to raise awareness of the world of work amongst young job-seekers.

2.1 Is there an 'attitude gap' as well as a 'skills gap'?

The feedback from employers and recruitment professionals is that young jobseekers can often lack awareness of what employers require. They say young people have inflated expectations in terms of both the type of work and the remuneration that they can aspire to initially. This is especially true of new graduates, where recruitment agencies increasingly need to manage expectations and give guidance on the building blocks for a chosen career path.

Employers should also recognise that attitudes to work are constantly evolving and to ensure that recruitment strategies reflect these changes. In many cases, there are real benefits for employers who are prepared to innovate and 'tap into' different skills and mind sets.

Professional recruiters and employers know that young job-seekers are looking for different things from their work – whether it be variety, flexibility, a sense of purpose and the opportunity to take on new challenges. This trend has been confirmed by the work of the REC's Future of Employment Working Group (FEWG). As reported in its White Paper Gateway to Success, employers must therefore meet the next generation of workers at least half-way to develop working environments that reflect the needs of 'Generation Y'.

Professional recruiters and employers know that young job-seekers are looking for different things from their work – whether it be variety, flexibility, a sense of purpose and the opportunity to take on new challenges.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter two Cont...

Workers in a wide variety of jobs need to be able to relate to the customer even if they are not operating in a customer focused role.

2.2 The skills needs of employers

Although employers and policy makers need to acknowledge and reflect changing aspirations and attitudes, it remains crucial to raise understanding amongst young job seekers of what employers actually want, and what skills are needed to succeed in a constantly evolving labour market.

The fact that not enough people are studying subjects in science, technology, engineering and mathematics (STEM subjects) is well documented. Making progress on this is crucial in order to drive UK competitiveness and to provide opportunities for young people. At the same time, we also need to raise the generic skills that employers are looking for from young people both now and in the future.

The REC's Jobs Outlook survey¹ provides monthly feedback on short and long-term hiring intentions and on the main skills and competencies that employers are looking for. The latest survey shows these to be:

- Effective communication
- Teamworking
- Commercial awareness
- Project planning
- Analysis skills

Globalisation means that organisations are increasingly working across geographical borders. Knowledge of foreign languages and being open to working in different cultures are therefore becoming important assets. There is clearly a pivotal role here for education. Business organisations operating in an increasingly global market place must continue to provide specific feedback on how this impacts on the skills needs of the future.

The feedback from employers on the Taskforce is that customer skills are becoming more critical. Workers in a wide variety of jobs need to be able to relate to the customer even if they are not operating in a customer focused role.

A challenge for educationalists will be how to build the development of 'emotional intelligence' and commercial awareness and planning skills into the content of courses and academic programmes. But it is clear that schools and academic institutions must adapt the content and structure of their learning to help develop work-place skills.

1. Jobs Outlook is published each month by the REC Industry Research Unit (IRU).

Chapter two Cont...

2.3 A culture of learning

The ability to adapt to change is a crucial employability skill in modern workplaces. As well as developing skills, we must develop a culture of learning. For example, the 2007 Skills at Work Survey found that the proportions of those strongly agreeing to the statement 'my job requires that I keep learning new things' was substantially increasing.

The feedback from employers and academics during meetings of the Youth Employment Taskforce confirmed that there is a real need to instil a culture of continuous development and learning amongst the next generation of workers. Career development programmes such as the one developed by Middlesex University (see case study below) can play a role in raising awareness amongst young job-seekers about what employers are looking for but also about how they will need to take responsibility for their own learning and development throughout the course of their career.

The ability to adapt to change is a crucial employability skill in modern workplaces. As well as developing skills, we must develop a culture of learning.

Case Study – Middlesex University

Middlesex University have a range of initiatives to promote work-placed learning and provide students with a grounding in the world of work. The emphasis is on employability skills, designed to ensure the attitudes, skills, knowledge and emotions of students meet the expectations of employers. One example is the current pilot programme called the 'Employability Factor' which is aimed at final year students and involves:

- Teaching students about the role networks can play in finding jobs;
- Understanding how to use recruitment agencies;
- Tips on how to write a CV, how to fill out online job application forms and how to perform at interview;
- Presentation and communication skills;
- Advising students about cyber-identity;
- Allowing students the opportunity to meet with alumni.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter two Cont...

There is not 'a' youth unemployment issue, there are several. It is therefore crucial to identify the different challenges facing different categories of young job-seekers.

2.4 Effective segmentation and targeting

There is not 'a' youth unemployment issue, there are several. It is therefore crucial to identify the different challenges facing different categories of young job-seekers. The challenges facing university graduates are very different to those facing job-seekers looking to enter the jobs market straight from school, and the issues for those with no qualifications or experience are very different to those who have some academic or vocational achievements.

The Youth Employment Taskforce has therefore underlined the need for effective 'segmentation' so that actions are properly targeted. This must include a focus on equality of opportunity for young people from all sections of society – for example, the specific barriers facing young job-seekers with disabilities. There is also a very real need to ensure that programmes address the diversity of unemployed young people, not just in terms of ethnicity but by region and socio-economic background, and ensure that no groups are excluded.

Recent publications such as the Integration in the Workplace¹ report by the Equality and Human Rights Commission (EHRC) have shone the light on specific barriers facing different categories of job-seekers. There are a number of practical solutions for breaking down barriers. For example, offering flexible working options to young job-seekers with disabilities can greatly facilitate the route into work.

The Department for Education (DfE) has undertaken specific research to build the evidence base on those not currently in employment, education or training (NEETs). However, the evidence is focused on a younger age group, with very little research currently available post-19 years of age.

1. The EHRC's 'Integration in the Workplace' report was published in 2009 with the input of Edinburgh Napier University and London Metropolitan University.

Chapter two Cont...

The coalition Government's work programme includes a specific commitment to improve opportunities for Black, Asian and Minority Ethnic (BAME) communities. Proposed measures include providing internships for underrepresented minorities in every Whitehall department and funding a targeted national enterprise mentoring scheme for BAME people who want to start a business.

Although there are huge challenges for young job-seekers with no academic qualifications or from specific disadvantaged groups the Taskforce also recognised the employment challenge facing recent graduates. There is a need to manage the expectations of young people and to ensure that 'employability' is not simply a bolt-on but is imbedded into university education. In the US, and to an increasing extent these universities and further education colleges are using 'job outcomes' of recent graduates as a key part of their marketing to potential new students. Career support programmes and work placement schemes should not only focus on final year students but should also be aimed at second year students.

The Government therefore needs to review and define the different barriers and challenges facing different groups. Government-funded analysis and benchmarking of different career programmes would help to identify best practice and innovative approaches. Employers and recruiters can also make a real difference by engaging with universities and other academic institutions on their career development programmes.

Career support programmes and work placement schemes should not only focus on final year students but should also be aimed at second year students.



Chapter three

Addressing youth unemployment also means making it easier for employers to recruit.

Building bridges into the world of work

The lack of practical experience is a major barrier for young job-seekers entering a competitive jobs market. Building bridges into the world of work must be a shared responsibility between Government, business and academic institutions, if we are to avert the threat of a lost generation of workers

3.1 Boosting demand by incentivising employers

An urgent priority for the new administration will be how to encourage employers to take on more staff over the next 18 months. For example the Taskforce proposes a two-year National Insurance 'holiday' for young jobseekers taken on in permanent roles over and above their normal recruitment. This would be extremely cost-effective compared to paying benefits for the same period. Lower business taxes generally will stimulate growth and the demand for jobs.

Addressing youth unemployment also means making it easier for employers to recruit. The Taskforce therefore welcomes the coalition Government's commitments to cut red tape, simplify taxation, promote small business procurement and end the 'gold-plating' of EU rules.

The case is made below for apprenticeships as an important route into work. However, the Taskforce underlined real concerns over funding for apprenticeship schemes in different sectors. For example, there was a reduction in CITB (Construction Industry Training Board) funding for apprenticeships of 30% this year. The funding for an Apprentice 16-18 year olds was £12,275 over 3 years. As from 1st August 2010 this will reduce to £9,900 over three years.

Employers in the construction sector who are actively involved in apprenticeships will lose £237,500 of funding over 3 years based on 100 apprentices. At NVQ Level 3 Supervisory and Advanced Craft Qualifications (which equates to Site Manager level) the grant was £875 per person but has now been reduced to £302 per person.

The above examples underline that fact that despite commitments from Government to promote apprenticeships, employers are facing increasing costs rather than increased incentives to provide apprenticeship opportunities.

Chapter three Cont...

3.2 New routes to work: internships, apprenticeships, temporary work and entrepreneurship

Internships and temporary assignments provide an important route into work, a 'way in' to a chosen sector. In both of these areas urgent action is needed if we are to maximise opportunities for the next generation of workers.

The concept of internship is more established in other European countries; more needs to be done to raise awareness and increase the number of employers offering internship programmes in the UK. Business organisations and trade bodies must take a lead on this, with over-arching organisations such as the Trade Association Forum (TAF) and the Professional Associations Research Network (PARN) playing a 'cascading' role.

One priority is to develop a framework for internships that benefit both the employer and the job-seeker. The CIPD has already developed some practical tools in this area, while organisations such as the British Institute of Facilities Management (BIFM) have been working with the Department for Business (BIS) on a set of agreed standards for internships. These cover areas such as health and safety, working relationships and pay.

Recruitment agencies are playing a role in actively promoting internships to their clients – particularly in highly competitive sectors such as media and PR. For example, the scheme run by f1 recruitment (see case study overleaf) not only provides opportunities for young jobseekers to develop their skills but also allows clients to tap into the expertise and skills of new graduates. A further example of an effective mechanism into work is the scheme run by Bedfordshire Police and the Princes Trust which provides initial training and work experience followed by opportunities for apprenticeships.

In order to establish a coherent framework for internships in the UK, we must recognise and pre-empt factors that may preclude employers from paying a role. For example, the economic downturn has resulted in employers becoming increasingly lean. This means that there is often little spare capacity to manage internship programmes.

Providing assistance to employers – especially SMEs – on how to run apprenticeship and internship schemes may be an area for Government action. This would be a cost-effective use of limited public resources as the barrier for many employers is simply the lack of awareness and capacity to put the right measures in place.

Providing assistance to employers – especially SME's – on how to run apprenticeship and internship schemes may be an area for Government action.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter three Cont...

Approximately
1 in 4 young
people placed in
internships go
on to full time
employment
within three
months of
completing their
placements.

Case study – Developing talent through work placement programmes

Specialist recruitment consultancy f1 recruitment runs an internship programme for young people looking to pursue a career in the marketing or media sectors. The scheme provides young people and career changers with an opportunity to gain a foothold in their chosen field. Approximately 1 in 4 young people placed in internships go on to full time employment within three months of completing their placements.

The company receives no grants or subsidies but the goodwill that the internship programme generates amongst clients and candidates is priceless. Employers participating in the scheme welcome the chance to develop the talent of graduates and prepare them for the world of work. The initiative also helps to identify mature, committed young people with initiative and drive who may be suitable candidates for a permanent job.

Case study – Bedfordshire Police/Princes Trust 'Get Into Scheme'

Bedfordshire Police works with the Princes Trust on a 'Get Into' programme. Disadvantaged youths attend a two week course to build confidence and life skills, followed by two weeks work experience. At the end of this the group are assessed and as many as possible are given the opportunity to become an apprentice within the organisation. Bedfordshire Police also release police staff to work on 12 week youth programmes run by the Princes Trust.

Chapter three Cont...

Vocational qualifications and apprenticeships can lead directly to employment in sectors and job categories where employers and recruiters are reporting shortages. Improving the quality and awareness of vocational training for 14-19 year olds was identified by the Taskforce as a major priority. The creation of new 'Technical Academies' to offer vocational training and qualifications would send a powerful signal, as would communications campaigns to enhance the perception of vocational qualifications by individuals and employers.

Although the upper-age limit of 25 for funding support was scrapped in 2006, more needs to be done to promote apprenticeships to older age groups. Progress has already been made - last year 85,000 aged 19-24 started an apprenticeship in England with a further 56,000 25s and over starting. By way of comparison, the number of 16-18 starting an apprenticeship in England last year was 99,000.

As well as continuing to raise awareness amongst employers and different age-groups, a priority is to develop the apprenticeship model across an increasing number of sectors, particularly for service sector jobs. Sector Skills Councils must play a leading role here.

As well as continuing to raise awareness amongst employers and different age-groups, a priority is to develop the apprenticeship model across an increasing number of sectors.

Case study – AGMA and The Future Jobs Fund

Although the coalition Government would be putting in place its own employment initiatives, it is useful to look back at previous schemes that generated positive input from employers. For example, the Association of Greater Manchester Authorities (AGMA) and the Greater Manchester Police signed up to the Future Jobs Fund - the Department of Work and Pensions scheme intended to create around 150,000 new jobs for young job seekers in deprived areas. Under the scheme, the Greater Manchester Police recently recruited the first cohort of 12 young job-seekers to work for 6 months as trainee administrators, supporting the work of the neighbourhood policing teams.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter three Cont...

The recruitment industry is already working with Jobcentre Plus to promote the positive role that temporary work can play.

A further means of developing experience of the world of work is through temporary assignments, either as a route into permanent employment or a career choice in itself. The nature of temporary work is increasingly gravitating towards higher-end disciplines and a high proportion of workers go for flexible working options as a career choice.

The recruitment industry is already working with Jobcentre Plus to promote the positive role that temporary work can play. In 2009, Jobcentre Plus signed a Memorandum of Understanding with the Recruitment and Employment Confederation (REC), which formalised the longstanding practice of sharing vacancies and of Jobcentre Plus advisers signposting customers to recruitment agencies. Building on this kind of co-operation will play an important role in helping young job-seekers break into the labour market.

An urgent priority for the new Government is to address barriers in the benefits system that deter jobseekers from taking on the kind of short-term temporary assignments that can build their skills and lead to the next job opportunity. Young people have legitimate concerns if the risk is that they could end up with weeks of no income if the assignment ends and they go back on benefits.

Pilots aimed at speeding up the process of coming on and off benefits have already taken place, but these must be built on to enhance the temporary work option. On this issue it is encouraging to note that the coalition Government's programme includes a commitment to investigate how to simplify the benefits system in order to improve incentives to work.

Whatever the support and guidance provided to jobseekers there are a finite number of jobs for people to move into. It is therefore more important than ever to actively encourage more young people to set up their own businesses, which can in turn become an important source of new jobs. The new Government has committed to support for would-be entrepreneurs through a new programme – Work for Yourself – which will give the unemployed access to business mentors and start-up loans.

Chapter three Cont...

3.3 Enhancing the input of employers and professional recruiters

School leavers are likely to spend nearly 50 years in some form of employment, but at present we are not preparing our young people for their first job let alone for the 10 to 20 that may follow.

Schools must therefore work in partnership with the business community to bring the world of work into the classroom. The Education and Employers Taskforce includes a specific focus on employer engagement in schools and are due to publish a report shortly.

A good example of employers and recruiters playing a pro-active role is the 'Ignition' programme led by the recruitment firm Hays (see case study overleaf). Young Enterprise is another initiative where volunteers from businesses are brought into the classroom and work with young people.

These innovative approaches now need to come into the mainstream through the formal backing of leading business organisations and trade bodies.

Schools must therefore work in partnership with the business community to bring the world of work into the classroom.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter three Cont...

The feedback from Taskforce members confirmed that one of the barriers facing young people is a lack of basic job-search skills such as CV writing and interview techniques.

Case study – Hays Ignition programme

Coleshill School is an 11-18 comprehensive school in North Warwickshire. Students come from a range of backgrounds from inner-city estates to rural farms. The school approached Hays for to help raise awareness of the world of work, so that students could make more informed decisions about future careers. The programme has also helped to develop practical job-search skills – for example though interview skills training.

The Ignition Programme is in its second year and has provided support and guidance to students taking BTEC qualifications as well as to A-Level students who had not decided whether to attend university or enter employment.

The feedback from the school is that the scheme has been extremely positive in helping students to prepare for the world of work, and that students who wanted to go straight into employment were successful in finding suitable work.

Employers and recruiters must also have more input into providing practical guidance and support for young job-seekers.

The feedback from Taskforce members confirmed that one of the barriers facing young people is a lack of basic job-search skills such as CV writing and interview techniques.

The expertise of recruitment agencies has already been used by the Department for Work and Pensions (DWP) to provide practical support and guidance during the recession to jobseekers from the higher-end of the jobs market. This scheme has helped thousands of older job-seekers into work and illustrates the value and cost-effectiveness of tapping into existing structures and expertise. Given the success and relative cheapness of this programme, the Taskforce encourages the Government to develop a similar scheme aimed at supporting young job-seekers.

Chapter three Cont...

In the longer-term, there is a need for more feedback from employers and business organisations into the content and structure of academic and vocational courses. This is the only way to ensure that the specific skills that employers are looking for both now and in the future are developed. We need to build on the foundation of current business-led working groups to create more specific groups operating at a regional and sector level. Existing government schemes such as the Young Person's Guarantee need to be enhanced to ensure that training provided is linked to specific job outcomes and reflects employers needs.

There is a real mismatch in terms of what young people think employers want and what employers are really looking for. An internal survey conducted by Middlesex University showed that students saw employers as principally wanting skills and knowledge. However employers said their goal was to find people with the right attitude and emotional intelligence. This mismatch between the expectations of young people and employers can be addressed by improving links between business and academia on both a national and local level. An example (see case study below) is the employability programme developed by the 1994 group of universities, which made a tangible difference to enhancing the employability of students through part time work and voluntary activities.

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Case study – The 1994 group

The 1994 group represents 19 of the smaller research based universities in the UK and includes institutions such as York, East Anglia, Durham and St Andrews. Many of their members are relatively new institutions who do not have the same contacts with multinationals as members of the more-established Russell Group of universities. However, the group is increasingly proactive in working with its members to promote schemes designed to improve the career prospects of students.

Fourteen of their 19 members have developed certified programmes to recognise the employability skills students develop through part time work and voluntary activities whilst they pursue their studies.

These programmes have been developed from the bottom up, based upon feedback from specific employers. However, they are often heavily oversubscribed and there is a limit on the resources available to deliver these programmes. The 1994 group is now working with the Government to ensure there is sufficient funding and are working closely with the NUS, the IOD and the CMI to improve recognition of the programme.



Avoiding a lost generation - preparing young people for work now and in the future

Chapter four

There are a plethora of schemes and initiatives already in place that are helping young people enter employment.

Conclusion

The issue of youth unemployment is both immediate and one which will pose severe problems in the future, in terms of social cohesion, economic performance and individual wellbeing.

However, during the discussions and investigations of the Youth Employment Taskforce, we have discovered that the problem is neither monolithic nor intractable. There are a plethora of schemes and initiatives already in place that are helping young people enter employment. Many of these are not Government sponsored but have been developed on their own initiative, and often without outside support by employers, recruiters, schools and universities, and professional and trade bodies.

But the scattered and fragmented nature of these schemes in itself demonstrates how much more we as a country could be doing. Firstly, best practices need to be disseminated and applied in more contexts. Secondly this work needs to be used as a foundation to develop broader, more imaginative and better-targeted schemes to prevent today's young job-seekers becoming a 'Generation Lost'.

Recommendations

Government clearly has a pivotal role to play: we believe it should be:

1. Stimulating direct employment with a two year National Insurance holiday for each additional young person employed in the private sector;
2. Promoting temporary employment through careers advisors and JobCentres and supporting it by streamlining the benefits system to encourage young people to work;
3. Encouraging entrepreneurship among young people through better programmes of support and mentoring;
4. Ensuring that training schemes genuinely reflect the skills needs of local employers;
5. Launching a wide-ranging review to identify the specific barriers facing different groups of young job-seekers and use this to better target future provision;
6. Promoting the growth of apprenticeships and internships by broadening existing schemes, developing standards and supporting businesses, particularly SMEs in offering them;
7. Initiating a through-going overhaul of the careers guidance function in educational establishments, which is currently not fit for purpose, with more active involvement from employers.

Chapter four Cont...

Business and recruiters have an important role to play too, by:

8. Creating more internship programmes to increase opportunities for young people to gain practical experience, and develop frameworks and standards for the running of employer internship schemes;
9. Offering value-added expertise to job centres and careers services such as CV writing and interview skills based on real-life experience;
10. Investing time and resources in partnering with education providers to create a world-class career guidance function in schools, further and higher education establishments. This must be made easier to participate in and schools/education establishments should be given specific targets and incentives to develop employer-led careers guidance.

Schools, further and higher education bodies also need to re-examine the role they play in preparing young people for the workplace:

11. Adapting the content and structure of their courses to help young people develop work-place skills, Vocational experience and skills development should be included in all qualifications – GCSEs, A levels and degrees. This will address the 'expectations gap' that we have at present.
12. Making young people aware of different employment and self-employment options and routes into work via a modern careers guidance service.
13. Building closer relationships with the local business community to increase the opportunities for young people to gain experience of work and learn from those in employment.

Careers advisers and JobCentres have a primary role in helping the young into employment, but can enhance this by:

14. Harnessing the skills of employers and recruiters to help young people experience the workplace and develop specific job-seeking abilities.
15. Ensuring they are supplied with the latest data about employment trends and employers' real expectations, both locally and nationally.
16. Promoting alternative routes into employment, such as temporary work, internships, apprenticeships and self-employment
17. Increasing their knowledge and professionalism by joining professional bodies such as the IRP which will ensure that their employment knowledge is up to date and relevant.

Schools, further and higher education bodies also need to re-examine the role they play in preparing young people for the workplace.



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The REC represents 3,760 corporate members, with more than 8,000 branches, and 6,500 individual members within the Institute of Recruitment Professionals.

The REC is committed to raising standards and highlighting excellence throughout the recruitment industry.

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