

[National Assembly for Wales](#)

[Enterprise and Business Committee](#)

[Inquiry into Assisting Young People into Work](#)

Evidence from Young Enterprise Wales – AYP 10

#### Transition from education to employment

1.1 Over the past three decades employer skills needs have changed in many ways that make it harder for young people to successfully enter the labour market, particularly for the first time. Recession led squeezes on the labour market have had a real impact on the types of skills and competencies that young people must have to find and sustain employment. In particular in Wales, far fewer young people now work in the manufacturing sector and many more work in service sector employment. A significant outcome of this change is the requirement of the nature of skills that young people need from day one in almost any aspect of employment. In particular, soft skills are increasingly important for young people to be able to find and sustain employment, with customer facing skills often required for work in sectors which employ large numbers of young people such as retail, leisure and hospitality.

1.2 Training budgets are finite which places even greater economic pressure on employers to require young people be job-ready and able to perform effectively against a range of skills and capabilities upon getting their first job. For those young people with less developed soft skills, securing and sustaining a job is far more difficult as a result of these expectations.

1.3 It is therefore imperative that education and skills provision, as well as careers advice and guidance, reflect the changing nature of the labour market and offer young people the chance and opportunities to develop key 21<sup>st</sup> century employability skills. Young Enterprise asked NSP (National Schools Partnership) to conduct qualitative and quantitative research with parents, teachers and young people from across the UK, this new evidence has been informed by research that Young Enterprise conducted with over 400 businesses across Europe, who reported that they are lacking entry level employees with the right skill sets.

1.5 All of the young people that we spoke to had a good idea of what career path they might like to take, but few had first (or second) hand experience of what day-to-day life in that role would entail. The majority of young people believe that employers are looking for experience and there tends to be a sense of helplessness that they can't get experience if they don't already have experience 'the employability skill catch 22'. Young Enterprise support the CBI's approach to employability skills and are working hard to raise awareness of our own '5 Key Skills' campaign highlighting the importance of communication, resilience, problem solving, creativity and teamwork as the defining soft skill set for young people accessing employment.

1.6 We have found that teachers feel stronger partnerships with local business would help students the most in the future – this is echoed by parents, who were also in favour of more interaction with business and work experience. 79% of parents feel that skill development should be more of a priority in schools, and less than a third of parents feel that there is enough business involvement in skill development.

### Young People in transition (pre-NEET)

2.1 It is a key action to adequately support young people before and during the transition point from school to work to prevent them becoming NEET. To reduce the number of NEET young people we need to do more to support them into their first job (or into further learning). There is a concern that potential very narrow targeting, at those with no GCSE passes or constrained age ranges, will continue to miss young people leaving school with slightly better qualifications but who may still struggle to get a sustainable foothold in the labour market, or those who go on to other forms of education or training but have problems in the transition further in the future.

2.1 To support young people at transition points, a holistic and locally delivered coordination of support is required. Addressing the NEET problem requires both top-down and bottom-up actions:

2.1.1 **Joining-up thinking.** At the national level joined-up thinking is needed to identify quality routes into work for young people, and effective inter-departmental working is required around improving school to work transitions. In particular we need to get much better at providing clear routes into work for those who do not go down a ‘traditional’ academic path. This requires both simplification and coordination. To meet these aims the youth enterprise strategy needs to cut effectively across departmental boundaries.

2.1.2 **Coordinating services locally.** To help provide greater consistency of support for young people at the local level there needs to be strong coordination of local services to ensure young people are effectively engaged with the support they require to find employment, further education or training after leaving school. This coordination role has become even more essential given the new careers and advice landscape in Wales. We must also financially support those locally embedded organisations (often voluntary sector) that have developed social capital and are best placed to positively engage with young people and the complex locally determined issues they face. Addressing high numbers of NEETs

locally requires effective joint working between parents, local government, schools, employers, Jobcentres, employment and skills providers and the third sector.

2.2 There is a real current need for more focus on NEET prevention, to facilitate this a greater level of support during key periods of change or 'transition' periods is most important:

2.2.1 The highest quality support to access their first sustainable job is a core support need for all young people. The local, regional and national system must be geared up so that education and training providers can effectively prioritise this outcome against local opportunities and constraints.

2.2.2 There is potential to better coordinate local services to support young people. There is also a need to support parents, schools, businesses, and the voluntary sector to work much more closely together to prepare young people for the labour market.

2.2.3 The education system is critically important, more young people leaving with better qualifications, and a better understanding of the world of work can help to facilitate more successful transitions into employment. But we also need to help young people to become critical financial consumers who can weigh up the costs and benefits of continued education when planning their careers. Teaching financial capability in school is fundamentally critical to the development of these competencies.

2.2.4 There is considerable scope for improving the routes into and progression routes within some of the growing service sector occupations which do employ more young people. While growing apprenticeships will support this, more needs to be done to ensure these offer sustainable and productive careers with clear opportunities for progression.

2.2.5 Ensuring that there are sufficient opportunities for young people to develop their potential through the acquisition of employability and soft skills through work experience and an increased availability of educational and extra curricular opportunities that can develop these skills in our young people and show them the way into the world of work.

2.3 National policy and local delivery needs to reflect changes in the labour market. Research strongly suggests that the changing labour market has placed a premium on work experience and the sort of soft skills which are necessary to help young people enter work. Policy needs to reflect this:

2.3.1 The first step into work is the most difficult. The increasing number of NEETs who have not made a successful transition from education into a first job suggests that the first step onto the employment ladder is becoming harder to obtain. It is

therefore important that provision focuses on supporting young people in making links into work, from primary school onwards. Helping young people to understand that their career planning starts here not when they 'leave school'. Meaningful employment experiences and opportunities to bring 'business into the classroom' may help young people make the school to work transition. Gone are the days of a job for life, or majoring on one skill set of being 'good with numbers, people or with your hands' Good employment and employability experience and must involve a variety of tasks enabling young people to develop a variety of skills. Young people undertaking work experience should be assigned a mentor and be properly supervised throughout their opportunity, with adequate training provided.

- 2.3.2 Support routes into growing areas of the economy and identified progression within these. In the past vocational routes into the workplace have worked well, in particular manufacturing which successfully operated an apprenticeship model over centuries. However in the newer and emerging industries these routes are much less obvious. Although apprenticeships are now more visible in sectors like retail and hospitality, and the numbers have grown, there is further work required to increase the value of these vocational routes which offer high quality training, and employment and career progression for young people. Reviewing and improving the employment experience in sectors which are growing is critical in more effectively linking more young people to opportunities within the labour market. It is also important the skills provision in young people reflects the changing demands of the labour market.
- 2.3.3 Advice and guidance needs to reflect local issues and local market intelligence. There are huge and insurmountable local differences in the quantity and type of employment available. Information, advice and guidance needs to be careful and thoughtful to reflect this and should be heavily tailored to the opportunities afforded by the local labour market and the needs of individuals reflecting the opportunities base locally, regionally and nationally accurately.