

# Large Employers and the Youth Labour Market

Youth Futures Foundation  
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In partnership with:



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## IFF Research

**IFF Research** is a full-service research agency which delivers insightful, strategic research to the private and public sector. Established in 1965, they specialise in supporting clients across seven key sectors: Learning and Skills, Higher Education, Regulation, Business and Enterprise, Work, Welfare and Wellbeing, Financial Services and Housing. They offer a wide range of research services, incorporating quantitative and qualitative research, including a large telephone interviewing team of around 1,000 interviewers.



## Youth Futures

**Youth Futures Foundation** is an independent, not-for-profit organisation established with a £90m endowment from the Reclaim Fund to improve employment outcomes for young people from marginalised backgrounds. Our aim is to narrow employment gaps by identifying what works and why, investing in evidence generation and innovation, and igniting a movement for change.



## Movement to Work

**Movement to Work (MtW)** is a not-for-profit coalition of UK employers, youth-outreach organisations, training providers and government allies – all aiming to level the playing field for young people aged 16-30 facing barriers to work. As a robust delivery partner, MtW works with employers to design bespoke youth employability programmes, either in-house or through one of their recommended training providers. With hundreds of organisational members, Movement to Work has a proven track record of driving social mobility with over 125,000 work placements delivered to date, made possible by employers, charities and Government working together. Collectively MtW has provided young people with diverse and empowering experiences ranging from hospitality to engineering, with regional hubs working in London, the Midlands, North East and North West to make a real difference nationwide.

# 1 Executive Summary

This report provides a summary of research carried out by IFF Research, on behalf of Youth Futures Foundation and Movement to Work (MtW). Youth Futures and MtW would like to thank Sage and Accenture for their contribution and support in making this research possible. Findings are based on analysis of the largest UK data source on employer engagement in youth employability activities (the Employer Skills Survey 2019) and qualitative interviews with 47 major UK employers.

## The case to act

Youth unemployment has negative consequences for individuals, their communities, and the wider economy. Youth unemployment can cause a long-term reduction in wages, increase chances of subsequent periods of unemployment, and result in poorer health outcomes. Following a period of recovery in youth employment rates, the Covid-19 pandemic has removed, reduced, and increased the level of uncertainty in roles that are traditionally filled by young people, e.g. the Retail and Hospitality sectors. Moreover, the pandemic has highlighted and deepened disparities, with young people most vulnerable to facing the greatest barriers to finding and securing good quality jobs.

Whilst the easing of restrictions has prompted a recovery, youth unemployment remains a pressing issue. It is therefore important to understand ways in which employers can engage more in the youth labour market to combat low employment rates and increase overall engagement with young people.

Businesses can and should play a vital part in helping to address the youth unemployment by offering work placements, traineeships, and apprenticeships. Large businesses, in particular, are key due to the scale of opportunities they could facilitate, but also because of the vast and tangible short-term and long-term benefits they will experience in return.

## What conditions help engagement?

Understanding what enables employers to engage in the youth labour market is vital to understanding what drives levels of engagement. Enablers include:

- **Senior stakeholder buy-in.** Having staff, and in particular senior management, value and support engagement in youth employment increases the engagement possible. Awareness of the benefits experienced by the business through youth engagement is a key driver of this support.
- **Dedicated resource.** Having the necessary resource to focus on youth employment is fundamental e.g. having the resource to: research government schemes, engage in youth recruitment, provide formal and informal training and support and so on.
- **Knowledge and support from intermediary organisations.** Those working with intermediary organisations feel these partnerships enable them to engage to the extent they do. In particular, they provide knowledge and support regarding best practice as well as providing specific support for recruiting young people, especially those more disadvantaged.

## Why do businesses engage in youth employment?

Many employers are motivated by the benefits they can see that their business gain from offering opportunities, jobs, work placements and apprenticeships to young people. These include:

- **Re-enforcing workforce and talent pipeline.** Helping to secure and strengthen the talent pipeline is the key benefit large employers report from running schemes such as graduate recruitment and apprenticeships. Investing the time and money to train and develop young people is seen as a way of safeguarding the skills employers will need in the future, whilst also helping to generate a pool of talent for their sector.

*"That's the raison d'être of what this place is ... based on policy but also a practice point of view, we see ourselves firmly as a community asset ... We have a strong [CSR policy] which goes into ecological [practices] using recycled material where possible, trying to work efficiently maximise the social gain with minimal impact on the environment and other regards."*

Manufacturing, England and Ireland

- **Diverse ideas and skills.** Employing young people is seen as a great way of increasing the diversity within organisations, and therefore the diversity of ideas and skills their business has access to. This is reported to result in better solutions for their customers/clients and helps the organisation remain competitive in the current market.

*"Our clients are working with everybody in the country... And to provide the solutions for the organisations it's important to have people from all the different areas and backgrounds to develop those solutions."*

Professional and Financial Services, UK

- **Energy and enthusiasm.** Young people bring a different or renewed energy to companies, helping to foster a positive atmosphere that boosts overall staff morale and retention. Fresh ideas and fresh perspectives create a more innovative and productive environment, by challenging accepted practice and sharing digital skills across the existing team.

*"Young people play a big part in the business because they ensure that we evolve, that we don't get stuck in certain ways of doing things and certain systems of work, but they push the envelope in that sense and are a huge factor in us improving ourselves as a business and culturally as well."*

Retail and Hospitality, London

Many employers are also motivated by altruistic reasons, to help meet their organisations' Corporate Social Responsibility (CSR) strategy and simply because it's 'the right thing to do'.

*"You engage young people in work and training and that benefits the economy; it benefits their wellbeing. It pulls them away from criminal activity and has a knock-on effect generally, that if young people are employed they are not on the streets or engaging in anti-social behaviour."*

Manufacturing, England and Ireland

## Challenges businesses face – and their solutions

To get the most out of these opportunities, employers recognise that they need to invest. The most common cost or challenge that employers experience is the supervision time required from other staff members to oversee and support young recruits/placements. This resource requirement is greatest during the onboarding process, but investment is required on an on-going basis. Many employers recognise that achieving return on this investment requires a long-term perspective but consider it to be the cost of a skilled talent pipeline. For some, the costs are felt to be outweighed by the benefits of creative and innovative ways of working, retention and advocacy.

*"They're a great source of future talent. They definitely bring different skills, different experiences, different ways of thinking, innovation. And can be real assets for what is a little bit of investment to building their confidence and employability skills...Where it does transform their lives, they are so much more committed, they're loyal, they become great advocates for the business".*

Retail and Hospitality, UK

### Larger employers in this research advised on how to address this challenge:

- **"Start small"**. Focusing on 'quality not quantity' is key, especially when launching a new scheme or initiative. Limiting the number of work placements or job opportunities available, rather than the length of placements, will ensure you have enough staff to provide the support needed. Employers often run a pilot scheme for new programmes and scale up slowly to ensure they can 'absorb' young people adequately and assess the level of support or training that might potentially be required.
- **Structure and clearly define roles**. Employers were clear that structured programmes where young people have clearly defined roles and responsibilities, help to maximise the value individuals gain from the experience and minimise disruption. This also helps ensure that your business is able to utilise the time young people have with you as much as possible.
- **Supporting the supervisors**. Be upfront about the benefits and reward but also the commitment needed, and ensure these staff have appropriate education and training beforehand, as well as ongoing support networks and opportunities to ask for help.

Another challenge commonly experienced is that **young people are often perceived not to be 'work ready'**. This can manifest itself in different ways but can include lack of confidence, attendance or behavioural issues, or simply not knowing workplace culture and norms. As with supervision time, employers felt the benefits outweighed this challenge and are a necessity of engaging young people meaning that the costs had to be met. Some employers felt that ignoring the additional support young people can require would only negatively impact them, not just the young person.

*"It will be challenging and that is part of the process. Plan ahead and plan how you are going to support that person in the business... And follow through on that support once the person is in the business because otherwise you end up actually perpetuating the problem [that the person didn't succeed]. And that reinforces the mindset, rather than changing it."*

Retail and Hospitality, London

- **Making use of intermediary organisations.** Intermediary organisations, e.g. Movement to Work and The Prince's Trust, can provide knowledge and support regarding best practice as well as provide specific support with recruiting young people, especially those more disadvantaged. This will reduce the burden on your organisation to engage in this space and increase your chances of hiring motivated and diverse young people.
- **Be flexible.** It's important to have realistic and fair expectations of young people and accept that they are new and inexperienced. This is particularly crucial in the first few weeks and months when young people need room to settle into their role. Businesses should be both flexible to allow young people to be themselves at work, and supportive to ensure they have the skills needed to succeed in the workplace.
- **Mentoring and buddy schemes** improve the opportunity and benefits experienced by the young person, but they also provide opportunities to other colleagues to develop their skills e.g. supporting a young person and delivering training.

# 2 Introduction

## Background and objectives

Youth unemployment has negative consequences for individuals, their communities, and the wider economy and rates rose disproportionately during the Covid-19 pandemic. Young people are more likely to work in sectors such as Hospitality and Retail, where a higher proportion of jobs have been furloughed and were at greater risk of redundancy throughout the pandemic. Whilst the easing of restrictions has prompted a partial economic recovery, youth unemployment remains a pressing issue. It is therefore important to understand ways in which employers can engage more in the youth labour market to combat low employment rates and increase overall engagement with young people.

IFF Research was commissioned by Youth Futures Foundation and Movement to Work (MtW) to better understand large employers' (with more than 250 employees) decisions to recruit young people or get involved in providing youth training or placements. The following report details the current landscape for employer engagement in youth employment programmes (including how Covid-19 has impacted this) and then explores the enablers, motivations and barriers to this engagement.

Youth Futures and MtW would like to thank Sage and Accenture for their contribution and support in making this research possible.

## Methodology

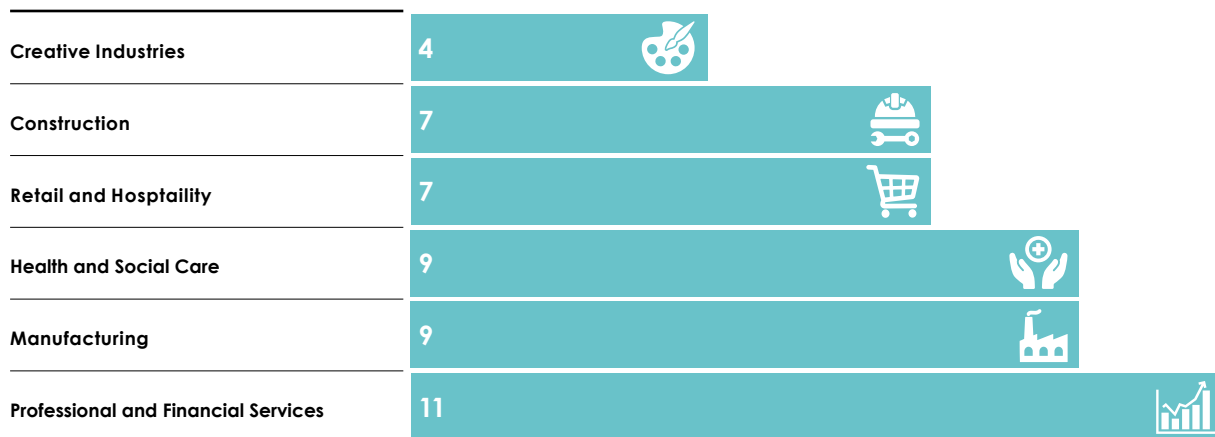
The research comprised two strands:

- **Secondary data analysis** of the Employer Skills Survey (ESS) 2019 dataset on employer engagement with youth employment programmes and activities, to provide a wider context. The ESS 2019 data was collected between June and December 2019, before the outbreak of the Covid-19 pandemic. The economic landscape has changed significantly since fieldwork was conducted, and as such, this survey data provides the opportunity to explore engagement levels in 'normal times'.
- **Primary, qualitative employer research** – 47 qualitative interviews among large employers (Figure 1). Six industry sectors were targeted, based on the following criteria:
  - key sectors for youth employment i.e. Retail, Hospitality, Health and Social Care.
  - growth industries i.e. green jobs (largely found in Manufacturing and Construction).
  - industries where young people want to work i.e. Creative Industries, Professional and Financial Services.
  - sectors particularly impacted by Covid-19 i.e. Retail, Hospitality, Arts and Entertainment.

Of the 47 interviewed, 32 operate in more than one region e.g. London and the South, England and Wales or most commonly, nationwide. The remaining 15 operate in one region only.



**Figure 1. Profile of 47 employers interviewed, by sector**



Employers were asked to talk about their engagement in the 'youth labour market' and the forms this engagement takes. Overall, there were two main types of engagement:

- 1. recruiting and employing young people** under the age of 30 i.e., entry level jobs, graduate schemes, apprenticeships and traineeships<sup>1</sup> and
- 2. work experience** (usually for those still in education and largely school) or work placements (usually for disadvantaged groups or during summer holidays) e.g. Kickstart.

When interviewees were asked to think specifically about their approach and attitudes towards providing opportunities for young people who may be disadvantaged in the job market, the following examples were provided as prompts: young people from low-income backgrounds, those with low/no qualifications, care leavers, a history of offending, or a combination of these factors.

## Analysis

The scale below is used when referring to findings from the qualitative interviews, to ensure consistency within the report and provide a sense of prevalence amongst the employers interviewed. It does not imply that these percentages are generalisable to the wider population of employers.

Report terminology	Definition (percentage of interviews)
Most / Nearly all / Almost all	>90%
A majority	60 - 90%
Around half	40 - 60%
A few / A minority	10 - 40%
A handful	<10%

<sup>1</sup> Apprenticeships and traineeships were for those aged under 25.

# 3 Engagement with the youth labour market

This chapter details employers' current levels of engagement with work placements and apprenticeships, as well as the impact of Covid-19 on youth engagement.

## Types of Engagement

The ESS data shows that almost all (98%) of establishments with at least 250 employees had recruited a young person aged 25 or under in the 12 months prior to survey, and 87% had recruited an education leaver in the previous 2 to 3 years. This high volume of engagement was reflected in the interviews, with all large employers interviewed reporting engaging with the youth labour market in multiple ways.

Employers in the qualitative research provided additional detail on the kinds of roles young people fulfilled in their organisation, from entry level roles of various types, to graduate schemes, internships, apprenticeships, and traineeships:

- **Health and Social Care** roles included care assistants, support workers, administrative and IT-based roles.
- **In Construction and Manufacturing**, young people filled more technical roles when on an apprenticeship or graduate scheme but were also employed in administrative roles and as labourers/factory workers.
- **In Professional and Financial services**, roles included more technical IT/engineering/analyst roles.
- **In Hospitality and Retail**, roles were mainly customer service based. It was also reported across all sectors that young people were present in different areas/roles throughout the business.

## Recruiting young people

In terms of methods of recruiting young people generally, the qualitative research showed that:

- Most employers advertise roles on their own organisation's website, websites specific to their industry, and careers websites like LinkedIn and Indeed.
- Some employers use recruitment agencies to find a diverse group of candidates and gain access to young people:

*"You need guidance from people who know what they're doing, people like Hawks Training and other specialised youth recruitment agencies."*

Health and Social Care, UK

- Some employers use social media channels such as Facebook, Twitter and Instagram to recruit young people. Traditional recruitment channels such as job boards did not reap the number of applicants that were required in this case and so these alternate methods were preferred.

- There was also mention of liaising with schools, colleges and universities.
- Entry level roles for young people typically have no requirement for prior experience, with many employers focusing more on attitudes and behaviours that the candidate has towards the role:

*"I look at passion. I understand that qualifications don't mean everything."*

**Manufacturing, South**

For those that did target disadvantaged groups, it was common for them to work with intermediary organisations to promote opportunities and find suitable candidates. For instance, some employers liaise with schools (and more specifically SEN schools), charity partners including organisations working with young people not in education, employment or training (NEET), children of parents who were out of work, young people with disabilities, refugees, ex-offenders, and under-represented groups:

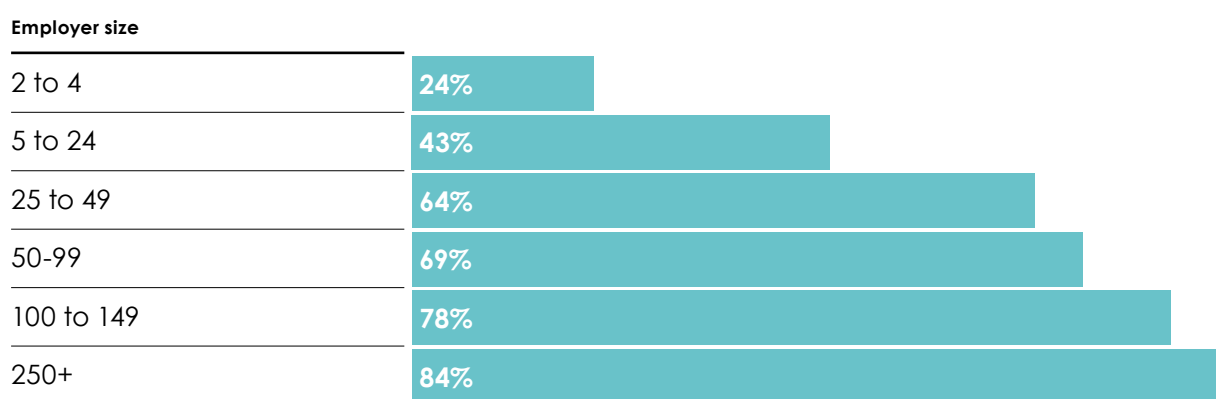
*'It's a different pool of candidates, that traditionally we wouldn't be able to tap into'*

**Retail and Hospitality, Scotland**

#### Offering work placements

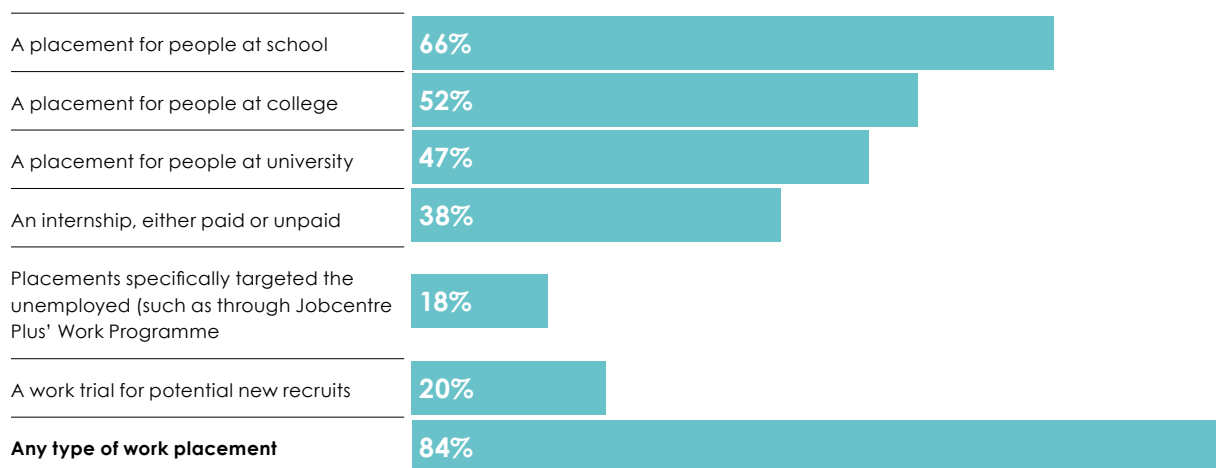
According to the ESS, the larger the organisation the more likely they are to offer any type of work placement<sup>2</sup>. As shown in Figure 2, 84% of large employers offered any type of working placement in the last 12 months, with placements for people at school the most common (Figure 3).

**Figure 2. Proportion of employers offering any type of work placement in the last 12 months, by size (Source: ESS 2019)**



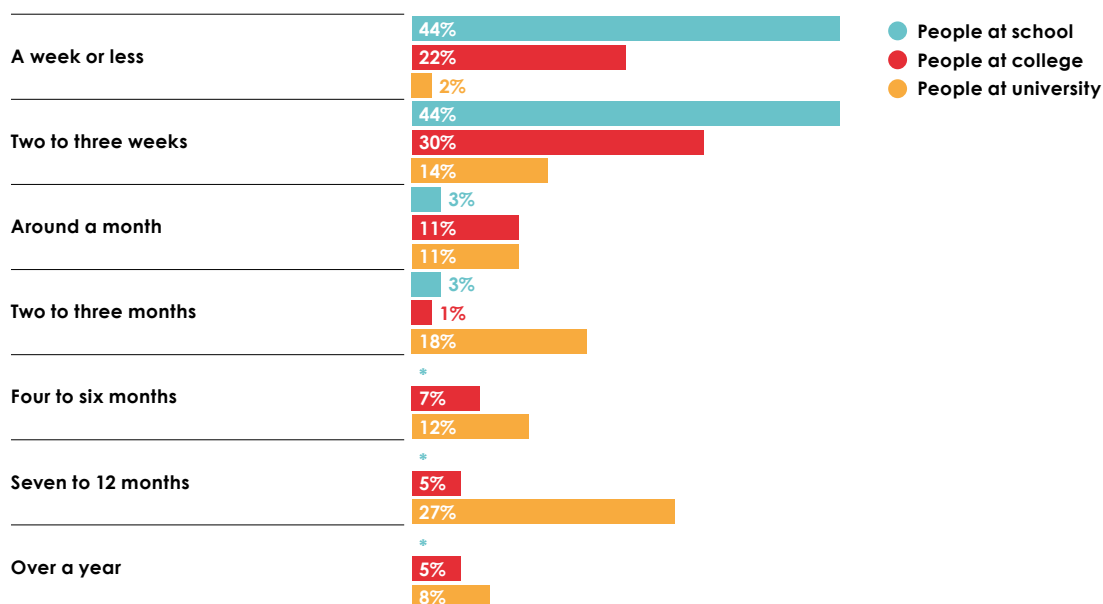
2 ESS question to large employers: Now thinking about activities related to work experience, thinking about people of all ages, in the last 12 months has this site had anyone in for: A placement for people at school, A placement for people at college, A placement for people at university, An internship, either paid or unpaid, Placements specifically targeted at the unemployed, A work trial for potential new recruits, any other type of placement.

**Figure 3. Proportion of large employers offering specific types of work placement in the last 12 months (Source: ESS 2019)**



In terms of duration, short placements were far more common for people at school, with 44% of large employers offering placements, for people at school, of either one week or two-three weeks. Whilst over a quarter (27%) of placements for people at university were seven to twelve weeks long (Figure 4).

**Figure 4. Length of placements offered by large employers (offering these placements in last 12 months) to people at school, college and university (Source: ESS 2019)**



Employers that sought to engage specifically with disadvantaged groups usually did so via work experience and placement opportunities rather than through direct recruitment to roles within the business, or via apprenticeships and graduate schemes.

Within the qualitative research most organisations offered work experience or work placement opportunities to young people. Just a handful of organisations reported taking on more than 10 candidates each year into work experience/placements. They were commonly aimed at those of school age (14+) rather than school leaving age, and were organised through liaising with local schools and colleges in the area. Durations of these placements ranged from a day's work up to a two-week placement and usually had a formal structure in place. A couple of employers mentioned an ad-hoc approach to work experience opportunities by providing them to friends and family of existing employees.

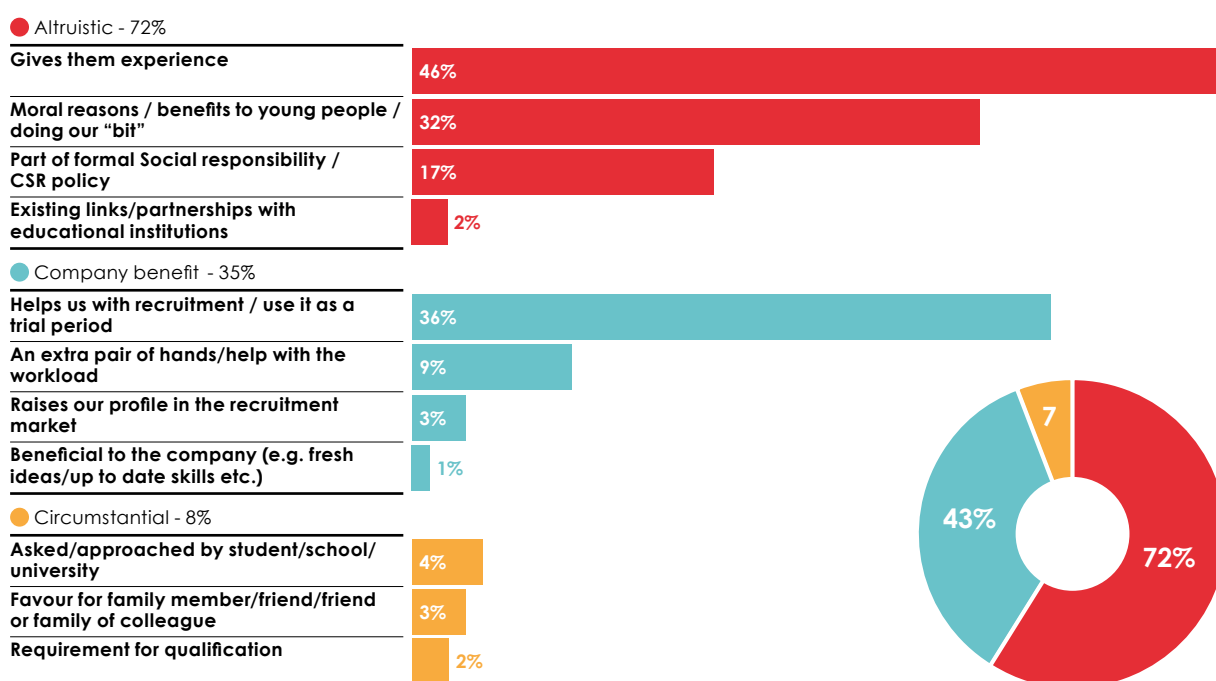
Organisations that offered longer-term work placements i.e., four weeks or more were likely to do so during the summer holiday period whilst young people were not engaged in education. The ESS 2019 data also shows that 59% of large employers reported that they had recruited someone from a placement into a permanent role in the past 12 months.

Too few large employers (in this ESS) gave reasons for not offering work placements to report this analysis but, overall, the main reasons were that they had no suitable roles (36%) and that employees do not have the necessary time or resource to supervise (21%).

## Reasons for offering work placements

The ESS also asks large businesses "what are the main reasons this site offers work placements or internships?".<sup>3</sup> As shown in Figure 5, employers were most motivated by altruistic reasons (72%), such as wanting to give young people experience (46%) or doing their bit for the local community (32%).

**Figure 5. Reasons for large employers offering work placements or internships (Source: ESS 2019)**



<sup>3</sup> Note this question asks for benefits of engagement in all forms of work placements and internships and so it is not possible to analyse for different types of engagement e.g. for work experience for the unemployed.

#### Engagement with government schemes

Overall, 18% of all establishments in the ESS were offering **apprenticeships**, rising to 80% amongst establishments with over 250+ employees. 72% of large employers were offering apprenticeships to young people under 25 years old.

This high volume of uptake was mirrored amongst the large employers interviewed for this research, with a majority, across all sectors, involved in government initiatives such as apprenticeships and Kickstart. Most organisations reported awareness of or engagement with Kickstart. A few organisations lacked awareness of the Kickstart scheme but said they would look into it following their interview.

Organisations that were less engaged with government initiatives gave a variety of reasons for this. A couple mention that the schemes do not align with their business model, for instance with Kickstart staff would be needed for more than 25 hours per week<sup>4</sup>. Another employer mentioned a lack of buy-in from senior management due to the requirement of additional supervision. One large employer highlighted the difficulty of setting up these initiatives:

*“On the apprenticeship side there’s no provider [that can provide apprentices who can reach the sites easily], and Kickstart, the way it’s been modelled, the hours of work don’t fit what we’re looking for.”*

**Retail and Hospitality, Scotland**

At the time of the ESS 2019, no large employers had taken part in traineeships and few employers interviewed for qualitative research had done so. The perceived relevance of traineeships amongst large employers in this qualitative study was mixed. A small number of employers mentioned involvement; one had a programme in place they planned to adapt into a traineeship, others used traineeships to begin with and then developed their own model to reduce the administration required and increase their offer to young people. No employers reported engaging with sector-based work academies.

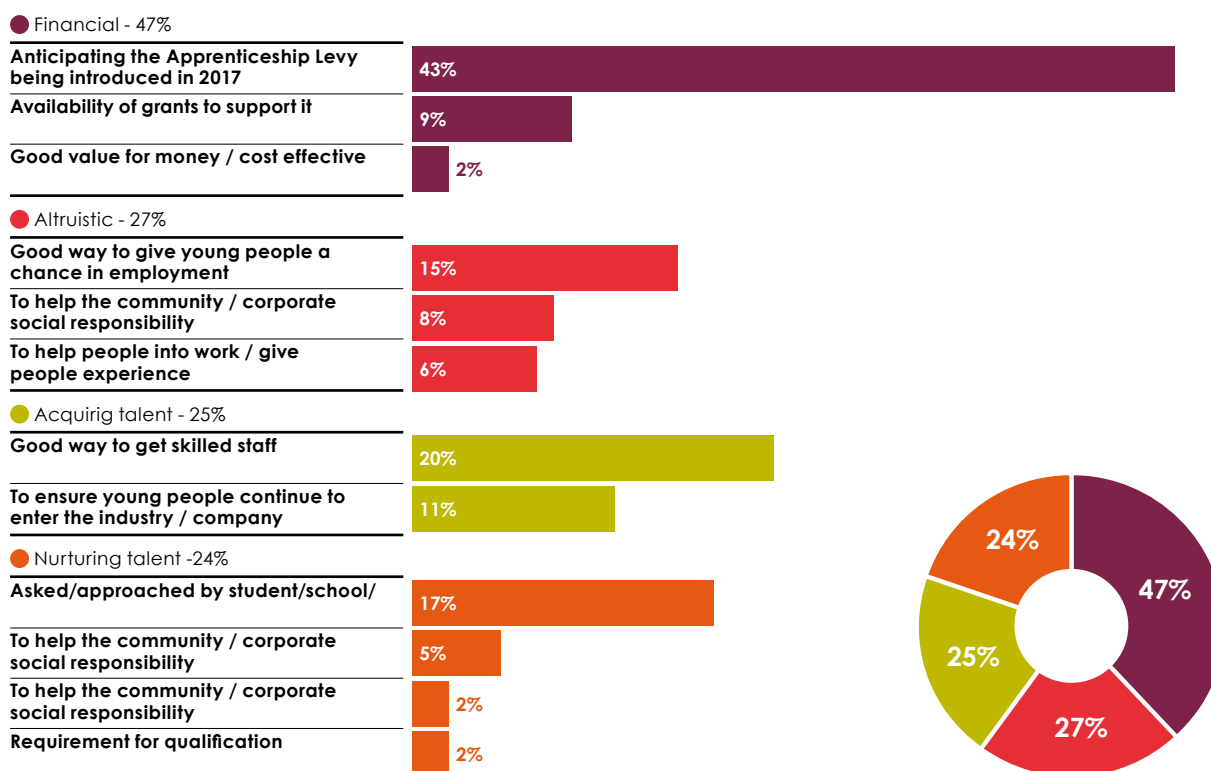
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<sup>4</sup> The Kickstart scheme provides funding for employers to cover the wage of an employee for 25 hours per week for 6 months.

## Reasons for starting to offer apprenticeships

According to the ESS, the most common reasons for large employers to start to offer apprenticeships related to financial benefits (as shown in Figure 6)<sup>5</sup>.

**Figure 6. Reasons for large employers starting to offer Apprenticeships (Source: ESS 2019)**



## Impact of Covid-19

In qualitative research employers were asked about the impact of Covid-19 on their engagement with the youth labour market.

Due to the Covid-19 pandemic, a few employers were unable to offer work placements, and either paused or stopped providing these. This was caused by a lack of staff available to supervise placement students due to staff working from home, leaving the organisation or sickness absence.

*“[Providing sufficient staff time to support young people is] challenging, particularly at the moment as stores are under more pressure than ever, staffing is tighter than it's ever been before.”*

Retail and Hospitality, UK

<sup>5</sup> Respondents were able to select multiple reasons, hence percentages do not sum to 100.

### 3 Engagement with the youth labour market

Many of those who provide work experience or work placements, have stopped whilst others are offering alternative delivery methods. Some employers welcomed the chance to access more individuals without being restricted by location and could access harder to reach groups.

*“We are able to reach people from all areas of the UK, they may be from cold spots and don’t need to worry about travelling to London. We don’t have a limit of capacity of numbers.”*

Professional and Financial Services, UK

*“It overcomes the obstacles for those who can’t travel, or are carers, or are scared to get the bus to us every day because they live in more remote areas.”*

Professional and Financial Services, UK

However, others report that outcomes are not the same with online delivery as would be expected in face-to-face work placements, and the experience of being ‘on the job’, 9am-5pm in the office could not be replicated.

*“Us senior and principal engineers are very busy ... They [young people] can’t ring us up every five minutes, whereas in the office they could just shout over, or pop over to our desks ... you don’t know if they’re going to be sat at home [not working] because they’re waiting for an answer from us.”*

Construction, UK

Employers engaged with Movement to Work had been able to access a ‘toolkit’ to support the delivery of online activities. Other employer interviewees reported they would welcome guidance on how to successfully run work experience or work placements online.

The impact of isolation on young employees having to work from home was also considered by a couple of employers. They mentioned incorporating more mental health and wellbeing events into existing programmes, and regular catch-ups have been put in place to reduce feelings of loneliness.

In terms of the government’s winding down of the Coronavirus Job Retention Scheme (CJRS), the large employers in this study were largely unaffected by this at the time of the research. There was little to no impact since employers either did not use the scheme to begin with or because almost all employees that were furloughed had now returned to work.



# 4 Context and conditions for engagement

Understanding what enables employers to engage in the youth labour market is vital to understand what drives the levels of engagement seen within different sectors. It helps unpick what support employers are more dependent on and therefore act as potential risks to engagement. For example, if a particular structure, context or type of support were removed or changed, would employers struggle to engage to the extent they currently do.

The qualitative interviews highlighted four key enablers for engagement:

## 1. Senior stakeholder buy-in

An organisation deciding to have youth employment as a business priority means it is more likely to divert sufficient human resources and funding towards youth engagement schemes, as well as ensure teams and individuals consider this an important part of the organisation. Business backing is most impactful when present amongst senior stakeholders e.g. Directors, CEOs and senior managers, and more crucial for increasing the likelihood of more disadvantaged young people gaining opportunities within the business.

Senior buy-in is driven by a range of factors including diverse leadership teams, senior staff having benefitted themselves from youth engagement schemes as well as (and most importantly) an awareness of the benefits experienced by the business through youth engagement.

*"It is great to have some of the senior leaders, sponsoring [programmes for disadvantaged groups], being behind it and having their voice if we need them to them to push it or promote it...So that feeds across the business - the idea that everyone can get involved, helping and supporting some of our programmes [for disadvantaged groups] I think that's what's really great."*

Manufacturing, UK

## 2. Dedicated resource<sup>6</sup>

The few employers who have dedicated resources available to focus on youth employment feel this enables them to engage to the level they do, and they have witnessed more targeted engagement from the introduction of increased dedicated resources.

*"Before we just couldn't dedicate the time that was needed for this...You have that one point of contact, someone giving constant attention to it. Before we knew what we needed to do but it was a nice to have, if we have a chance, if we have time. This is their sole responsibility, to drive it forward, I suppose that's what was missing before."*

Manufacturing, UK

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<sup>6</sup> Resource required varies across organisations but can include: researching government schemes that might add value to the business, engaging in youth recruitment, liaising with schools and colleges to fund applicants, running interviews and assessment for those applying to schemes, onboarding young people into the business, providing formal and informal training and support.

Some employers, particularly those in Professional and Financial services, are in specific roles which focus on youth employment as part of their remit and responsibilities e.g. managing the organisations' apprenticeship programme. These individuals feel that their role enables them in the following ways:

- Signals to the wider organisation that this is a business priority.
- Allows there to be dedicated resource to understanding what schemes are available and would be most beneficial to the businesses e.g. apprenticeships versus work placements.
- Increases likelihood of being able to engage external partners e.g. specialist recruitment agencies or working with schools to attract students to available apprenticeships.
- Allows more resource to think about how to best engage, recruit, train and support young people into the organisation. One business speaks of being able to completely immerse themselves in this role and not having to juggle other responsibilities.

One employer, who offers work placements to those more disadvantaged, feels that the existence of her role has created better outcomes for young people and the organisation. This is due to having the dedicated time to provide the support needed to engage these young people but also because her role is a senior one and therefore has more influence throughout the business.

*"It allows us to do so much more, and get good retention and outcomes with the apprentices...the job is at a senior enough level to make a difference...Having someone in my role who is specifically there to help to recruit young people from a diverse pool – and in particular those from more disadvantaged backgrounds."*

Professional and Financial Services, UK

### 3. Knowledge and support from intermediary organisations

Working with intermediary organisations (e.g. The Prince's Trust, Movement to Work and Springboard) increases the volume of youth engagement, in particular engagement of those more disadvantaged. This is experienced in two ways: having knowledge and support from intermediary organisations generally as well as specific support for recruiting young people, especially those more disadvantaged. For example, one employer highlights that they like how MtW hosts round tables to share best practices. Having organisations that are knowledgeable and experts regarding youth engagement enables organisations to engage by: alleviating concerns they have, providing specific guidance on schemes more suitable and how to access them, as well as providing a sounding board for queries, and thus reducing some of the resource needed internally.

*"Just us running this on our own, we probably wouldn't have this much success...building those relationships [with other organisations doing the same]. I think that's really critical to the success."*

Professional and Financial Services, UK

#### **4. Government-funded schemes**

A majority acknowledge that the existence of government-funded schemes enables them to engage more in youth employment. In particular, employers who offer apprenticeships appreciate that the resulting subsidised training and wages encourage the business to offer these opportunities but also make them more beneficial for the business. In addition, those not making use of these schemes are still aware of them and the benefits they may provide.

# 5 Motivations and benefits

This chapter highlights what motivates employers to engage in youth employment and the benefits they experience. It also details how organisations seek to maximise the value of engaging with the youth labour market. It is important to note that whilst employers are anecdotally aware of the benefits youth engagement has, most typically do not have quantifiable metrics to measure the benefits (e.g. cost-benefit analysis).

There are two broad themes motivating employers to engage in youth employment:

## 1. Company benefits

A majority of employers recruit young people, via programmes such as graduate schemes or apprenticeships, to meet their current and future business needs. For example, industries (e.g. within Retail and Hospitality and Construction) experiencing skills shortages see engaging young people as an important way of filling those gaps.

*“It’s future planning. It’s bringing people through in the manner you want them to be trained. It’s having a workforce for the future and that is certainly our priority.”*

Manufacturing, England and Ireland

Having jobs that need filling isn’t expressed as a motivation by lots of employers, but is a fundamental one for those who do.

*“If you don’t have the business need, if the roles aren’t there you can’t give them the jobs... If we weren’t busy we wouldn’t be hiring apprentices”*

Professional and Financial Services, UK

Employers were more likely to report being motivated by the expected future company benefits (e.g. identifying future staff) when it came to longer work placements and apprenticeships. This suggests that where greater resources are required to offer work-based learning opportunities, company benefits become more important in determining employer engagement and provision.

## Diverse ideas and skills.

Young people come into the organisation with **fresh ideas, perspectives, ways of working and skills** and these provide an injection of diversity that is valued by organisations across all sectors. This diversity is beneficial as it allows other colleagues to learn (new skills and ways of working), increases productivity and ensures organisations remain relevant/competitive in their industry (by finding better solutions suitable for their customers/clients).

*“A really diverse group of people as well, not just in like demographics but like diversity of thought. [Young people] bring different points of view and different experiences and different backgrounds too.”*

Manufacturing, UK

Employers offering longer term opportunities such as apprenticeships and work placements, are more likely to think young people introduce new ideas to their organisation. Whilst not explored explicitly, it is expected that having more time to engage with an organisation through such schemes (versus shorter work experience placements) and those on longer term placements being older (than those on work experience), helps new ideas to be experienced as a tangible benefit.

A few employers recognise that having a more diverse, younger workforce allows them to: be better problem solvers, deliver better solutions for their customers/clients, help the organisation stay more competitive and keeps it moving forward. The benefit of a more diverse workforce is valued across businesses and not just those with EDI goals or strategies.

*“Young people play a big part in the business because they ensure that we evolve, that we don’t get stuck in certain ways of doing things and certain systems of work, but they push the envelope in that sense and are a huge factor in us improving ourselves as a business and culturally as well.”*

Retail and Hospitality, London

Employers across sectors speak about the different skills young people bring to organisations – with many giving the example of being more **‘digitally savvy’**. Young people are seen, by a few, as more likely (than older colleagues) to have existing digital skills, e.g. being able to use social media and be able to learn new technologies more quickly. Consequently, young people typically require less training to make use of technology at work and often ‘mentor and support older staff members’ in these skills which helps to upskill the organisation overall. It’s worth bearing in mind that a handful of employers thought young people sometimes lack digital skills, e.g. navigating their devices, and therefore still need some training in this area e.g., Excel training.

A few employers think young people are more likely to use technology at its ‘foremost’ to help come up with new ideas and smarter ways of working, thus making the organisation more efficient.

*“[Young people] can bring new IT skills that have been learnt, and they can grasp new IT innovations quicker...We use them to mentor and support older staff members”*

Health and Social Care, London

Whilst less front of mind than diversity of ideas and skills, a handful of employers across sectors also value the **energy and enthusiasm** young people bring to their businesses. Young people commonly provide a different or renewed energy as well as contributing to a positive atmosphere which overall boosts morale. The benefits of this enthusiasm are linked to the new ideas and perspectives young people have, because they often join the organisation with a keenness and motivation to share these ideas and teach others.

*“The young people are so enthusiastic and full of completely different ideas to what we’d usually come up with.”*

Professional and Financial Services, UK

There is a range of experiences when it comes to those more disadvantaged in the workplace. A few employers have experienced a lack of motivation amongst these young people. Equally, similar numbers have found them more engaged and enthusiastic to have the opportunity. This highlights that ensuring young people are recruited into the correct roles and organisations is important as it can impact the enthusiasm they have for the work.

### Re-enforcing workforce and talent pipeline

Graduate recruitment and apprenticeships are viewed as a way to help **secure and strengthen a talent pipeline** for future employment. These schemes develop the pipeline by: raising the profile of roles, organisations and sectors, and enabling young people to develop the 'hot' skills that are required/add value to these organisations/the current marketplace. Re-enforcing the workforce and pipeline is a longer-term benefit, but still of equal importance to diverse ideas and skills.

*"Our business can't expand and progress if we don't have that future talent coming onboard. It's not all selfless on our part, we need the people as well."*

Manufacturing, UK

A few employers feel engaging in youth employment leads to **higher retention and loyalty long term** because organisations are able to mould staff in company ways. In addition, young people are often inspired to stay when they can see people like themselves in more senior roles having progressed from youth programmes e.g. from an apprentice. However, there is more disagreement amongst Professional and Financial services organisations about whether retention and loyalty is a benefit of youth engagement. A couple of these organisations feel that young people, especially graduates, expect to work at several companies within their careers and see moving on after a few years as a positive for them (rather than as a result of dissatisfaction with current employer).

For young employees who remain in the business, employers speak of the benefit of seeing them succeed and grow and the reward on investment. Moreover, one business feels the potential of higher retention and loyalty is a way of offsetting the higher costs associated with hiring young people, making it 'worth the time and the investment'.

*"We have people in the kitchen who started an apprenticeship at 16 and are now premier sous-chefs, still under 30 years and have been with the business for 10 years, which serve as inspiration stories for future employees."*

Retail and Hospitality, London

A couple of employers thought retention and loyalty are more common amongst more disadvantaged young people who are more likely to stay within the organisation for longer than the other young people e.g. graduates. It was unclear why this is, but some suggest it is because these young people are less confident about exploring new opportunities, are more likely to remain in their local areas or that they are more likely to be loyal to an organisation that has given them an opportunity such as a work placement.

*“The people we have taken on who are younger, who came through a more disadvantaged route to work, have stayed a longer period of time maybe than their peer group, who just came directly to us”*

Retail and Hospitality, Scotland

## Financial benefits.

Few large employers speak in detail about the financial benefits of youth engagement, and even fewer consider this a main benefit. The additional training and resource needed to engage in youth employment often means, in the short term at least, that there are not financial benefits of youth engagement.

Of the small number who did speak about financial benefits, employers speak either of lower wages or about subsidised wages and training costs. For example, employing trainees at a lower band is cheaper than getting people who are older and more qualified and programmes such as Kickstart help to subsidise training. A few employers are paying into the apprentice levy and are therefore keen to see a return on their investment.

Employers are keen to explain that hiring young people is seen as a way to bring talent into the business and build their pipeline, not as an opportunity to save money or have cheap labour. One employer thinks the apprenticeship levy was helpful, but “100% not a key driver for hiring young people”.

## 2. Corporate Social Responsibility and altruistic reasons

Engagement with the youth labour market is linked to Corporate Social Responsibility (CSR) strategies for a number of employers and in particular, providing work-related opportunities to disadvantaged, marginalised or deprived groups.

Employers seek to engage specifically with disadvantaged groups through work experience/ placement activities, rather than recruiting to roles within the business. These short-term placements are about the organisations' CSR objectives, it being ‘the right thing to do’ and ‘giving something back’ to local communities. For these employers, it is less about the ‘number that get employed’ and more about ‘the experience we are giving to people’.

Professional and Financial Services, UK

From an equality, diversity and inclusion perspective, there is a desire to ensure the workforce is representative, with two employers mentioning that they aim for their workforces to mirror the demographic profile of society today/their local communities and this is a motivation to therefore engage in youth recruitment.

## Supporting communities and people

Whilst most organisations don't have CSR objectives specifically aimed at engaging young people, many reference CSR or a desire to support the local community by offering work-based learning opportunities as a reason for youth engagement. Those who did have CSR policies agree that youth engagement helps them to meet those objectives. This could point towards the need for CSR and HR/ youth employment teams to be more joined-up in the pursuit of their aims, which could potentially result in more positive outcomes for young people and wider company buy-in. All forms of engagement are seen as a way of giving young people opportunities to improve their skills and to get their 'foot in the door' of organisations. It is clear that employers enjoy seeing young people succeed via these opportunities and are proud of the opportunities they provide.

Employers have a desire to 'do their bit' for the community and mention this motivation in the context of initiatives to engage disadvantaged young people or those facing multiple barriers to work.

*"You engage young people in work and training and that benefits the economy; it benefits their wellbeing. It pulls them away from criminal activity and has a knock-on effect generally, that if young people are employed they are not on the streets or engaging in anti-social behaviour."*

Manufacturing, England and Ireland

## Maximising benefits for both employer and young person

Many businesses invest time and resource into their young employees in order to maximise company benefit and the experience young people have whilst working with them. Employers approach this in different ways (to best suit the needs of the business, or young person(s)) but they broadly fit into three areas:

### 1. Mentoring and buddying schemes

Having support available via **mentoring or buddying schemes** (often outside the core line management structures) is felt to be essential in helping onboard young people effectively and ensure they feel supported during their time with the organisation. Most recognise that with limited experience, young people simply have more questions and concerns that can be addressed more efficiently with a direct contact. One employer, whose organisation doesn't offer buddying or mentoring views this as a weakness.

*"It's a frustration, it's a weakness of ours that we will spend money on the attraction in terms of getting them in, but no time has been put into [mentoring or buddying] to maximise value of youth engagement"*

Manufacturing, UK



Offering mentoring and buddying positions also gives opportunities to other colleagues to develop their skills e.g. supporting a young person, delivering training, as well as reducing the likelihood of young people not settling in well within the company or not performing well. Some employers speak of the training costs associated with ensuring colleagues can mentor and buddy effectively, but most indicate that staff are keen to fill such roles.

*“And every time that we have a sign-up sheet or ‘register your interest to be a line manager’ or ‘register your interest to be a mentor’ the uptake is always really good without us really needing to do much to promote it.”*

Manufacturing, UK

A handful of organisations prefer to pair older cohorts of young people with the latest intake e.g. those who are further along in the same apprenticeship programme, whereas others prefer to pair young people with older colleagues who have been with the businesses several years. It is felt the former increases motivation amongst the young people (as they can see short-term progression more closely) as well as providing a unique learning opportunity for the mentors and buddies e.g. it provides opportunity to learn skills associated with people management early on in their careers. The latter was viewed as a great way of sharing different skills between the two age cohorts e.g. the older colleagues understanding the business more, but the younger colleagues having new ideas and perspectives to share. One employer feels that older employers buddying up with young people, especially those from disadvantaged backgrounds, are lacking in confidence and required extra guidance to provide support.

## 2. Training

Training is considered important across sectors in two instances: to enable young people to bed into an organisation quickly and to then maximise the chances of progression later down the line. Employers acknowledge that onboarding training is vital for young people – especially those more disadvantaged in the work place or with very limited experience. This includes outlining acceptable behaviour at work, how to send emails and organise their time and so on. Employers approach this in different ways – ranging from internal one-to-one training, to group ‘bootcamp’ style onboarding sessions across a period of a week, to group sessions held over several months. A handful of employers rely on external organisations to provide employability training to young people entering the business, whereas others have the finance and capacity to provide this internally. Some also speak about the structured training process they have in place to enable young people to further develop within their roles.

## 3. Clearly defined roles

A couple of employers also speak about ensuring positions for young people have **a clear role and remit** so that they can maximise the value individuals gain from the experience. Having and communicating a clear outline of what the programme (e.g. summer placement) will involve and what is expected of the young person are thought to increase the likelihood of good performance and increased engagement.

## 6 Costs, challenges and barriers to youth engagement

This section presents the costs of engaging young people in the workforce and the main attitudinal and practical challenges to doing so. It also outlines the potential solutions employers suggest to overcome some of these issues.

### Costs of engagement

The large employers interviewed do little to formally calculate the costs of engaging with and employing young people. However, in discussing such costs, a small number of employers mentioned the initial financial cost of paying unskilled and younger recruits whilst they are learning the job and therefore being less productive for the organisation. These employers were particularly referring to recruiting young people (in entry level roles, apprenticeships or graduate schemes) rather than those on paid work placements as there is no real expectation that these will be beneficial to the organisation (rather they are to the benefit of the young person). These initial costs are offset in part through lower wages, but employers generally also just tend to accept them as the price of bringing young people through the business.

The primary cost identified by most employers, and of greatest concern, was the supervision time required from other staff members to oversee and support young recruits / placements. This was also expressed in terms of lost productivity and was felt to be particularly acute during the on-boarding process but was also on an on-going basis.

***“The barriers are more time than finance.”***

**Construction, England and Scotland**

These costs are common to all employers but the extent to which they perceive them as a barrier to engaging with young people, is closely related to their motivation for engaging. As discussed earlier, many large employers view young people as a critical talent pipeline and these employers take a longer-term perspective to return on investment.

***“We wouldn’t see it [the time invested] as a burden, we see it as an investment. We’re investing our time in the hope of getting a good return, and typically we do.”***

**Professional and Financial Services, London**

### Challenges and barriers to engagement

As virtually all large employers engage with the youth labour market to some extent there are no insurmountable barriers. This section, therefore, covers the factors / challenges which limit the extent of their interaction. For example, some only recruit young people (as they would any group and do not offer any specific programmes. Whilst many may offer schemes such as apprenticeships, they do not reach out to disadvantaged young people. Large employers articulate a number of issues associated with different forms of engagement but tend to consider these as factors to consider and plan for, rather than as factors preventing involvement.

## 1. Wider staff resource

Employers find it challenging to provide the staff resource needed for extensive supervision of work activities and/or provision of support to help young people learn how to do their job. Whilst many large employers see this cost as outweighed by the benefits of engagement, those that exhibit the highest levels of engagement (i.e. offering a range of different opportunities) thought that organisations need to be realistic about the amount of work involved and be prepared to dedicate sufficient resource to make it a success.

This resource requirement to 'do it well' can therefore limit the number of opportunities offered by some of these highly engaged employers. Dedicating sufficient resources for work experience or placements to provide value and a meaningful experience for the young person can be challenging. On longer-term programmes, maintaining interest and engagement can be difficult.

***"That's a heck of a lot of people from the business that we have to release to make sure the experience is meaningful for the students."***

**Manufacturing, UK**

Business leaders generally report that the staff involved in supervision and training personally feel the rewards of seeing a young person making a success of the opportunity. However, where there has not been sufficient structure, planning and resource, the additional work can impact morale and generate negativity towards new starters. In these cases, the supervision and support time becomes a barrier to continuing or expanding engagement.

A few employers specifically mentioned staff uncertainty around how to support young people who may be different from the 'usual' employee profile. Some employers feel other staff may feel unqualified to support them.

***"Societally where you want to recruit diversity and difference - how do you absorb them and onboard them in a way that doesn't treat them as different? The whole sensitivity is key. People do not know what to do."***

**Creative Industries, London**

***"They are very conservative, very risk-averse ... they are fairly introverted our people here. They probably might feel they don't have the necessary skills to deal with people with needs ... they'd need some training, help and reassurance."***

**Professional and Financial Services, London**

In environments where teams are under pressure to work quickly or deliver profit there can be reluctance to take on an inexperienced young person. A similar view was expressed by employers in sectors, such as Retail and Hospitality, where staff supporting young people on-the-ground may not be highly paid themselves.

***"We are very fast paced and having someone slot in ... it's difficult. . . if they have not had much experience. Some [other staff members] are more open than others and it's about education internally."***

**Creative Industries, London**

Previous poor experience leads to some wariness about bringing young people into the business and a greater reluctance from staff to give up their time to provide support.

*"I'm not going to get a senior manager to help a young person six months later, if he's had two bad experiences [of young people dropping out] in a row."*

Construction, England and Wales

A final point about the impact on the wider team relates to central recruitment for programmes such as apprenticeships, internships and graduate schemes. Where this is strongly centrally coordinated, it can lead to local teams feeling forced to take on young people in spite of concerns about additional work and headcount reduction. In these scenarios, the opportunity invariably results in limited value to the business or the young person.

### Solutions

**"Start small".** Some employers respond to these challenges by reducing the number of placements available, rather than the length of these placements, to ensure that they have enough staff to provide support and 'do it well'. A few experienced employers advise to focus on 'quality not quantity'. They suggest pilot schemes, allowing for trial and error, setting programmes up slowly and appreciating the capacity of the organisation to 'absorb' young people – especially where satellite sites may have small staff numbers.

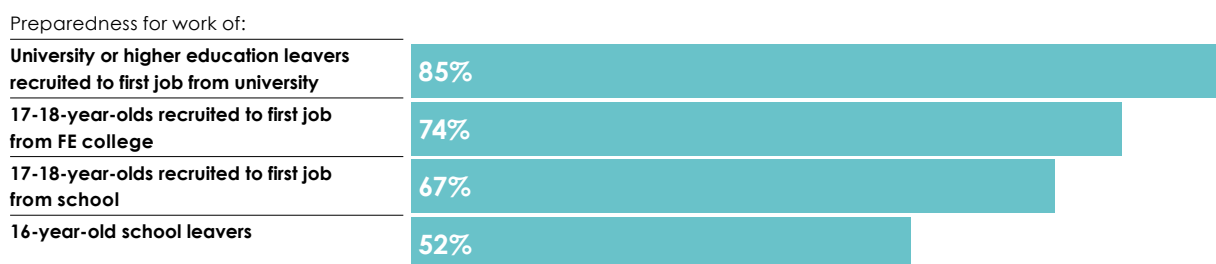
**Supporting the supervisors.** Be upfront about the benefits and reward but also the commitment needed, and ensure these staff have appropriate education and training beforehand, as well as ongoing support networks and opportunities to ask for help. This is important across all types of engagement but most strongly for disadvantaged groups.

**Sharing supervisory responsibilities** over time or across a team can help reduce the time required by individuals and give young people access to a range of perspectives, working styles and experience.

## 2. Work readiness of candidates

Many large employers report young people are often not 'work ready'. However, ESS data (Figure 7) shows that this is influenced by the level of education achievement young people have.

**Figure 7. Percentage of large employers (who had recruited any education leavers in the last 2-3 years) who thought these recruits were prepared for their job role (Source: ESS 2019)**



In addition to the supervision and training time a young person may require, wider support commonly entails pastoral care, dealing with issues relating to behaviour, retention and attendance and delivering basic employability training.

*“The challenge is frequently the young people’s behaviour in the workplace, how they settle in and deal with the workplace environment. Getting other people to invest in them when they don’t turn up or turn up late is the biggest challenge.”*

Manufacturing, England and Ireland

A few expressed the view that some groups of young people were more likely to need additional help. One employer points out that some young people may lack peers or family members to help navigate entry into the world of work, meaning the employer needs to take on that role. Another noted that to ignore the fact that certain groups need additional support is effectively setting people up to fail, and perpetuating inequality.

*“You have to be able to appreciate they, particularly if they’re from deprived, disadvantaged groups, may not have the family support to enable them to be successful so there has to be some kind of transition... Someone needs to be there to check on them and ensure they’re alright...It’s all part of a holistic experience.”*

Health and Social Care, UK

*“It will be challenging and that is part of the process. Plan ahead and plan how you are going to support that person in the business...And follow through on that support once the person is in the business because otherwise you end up actually perpetuating the problem [that the person didn’t succeed]. And that reinforces the mindset, rather than changing it.”*

Retail and Hospitality, London

## Solutions

**Be flexible.** A number of employers suggested a need to have realistic and fair expectations of young people, that are communicated upfront, and an acceptance that they are new and inexperienced. This is particularly crucial in the first few weeks and months when young people need room to settle into their role. Businesses need to be both flexible to allow young people to be themselves at work, and supportive to ensure they have the skills needed to succeed in the workplace.

**Upfront training.** Employers from both the Professional and Financial services and the Construction sectors start apprenticeships or youth employment with a 'bootcamp' on day-to-day professional skills e.g. time management, work-appropriate language, communication skills. Others work with third party providers to guide engagement with disadvantaged young people and provide training for staff involved in managing those individuals who may have additional needs. It is important to note that a small number of interviewees suggested that the onus should be on schools to prepare young people better for work, not employers to address them post-hoc.

**Buddying and peer support.** Mentoring and buddying schemes are used by employers to maximise value for the business and young people. This was also suggested to be helpful in role modelling workplace behaviours. Some employers recruit in cohorts (i.e. once a year) so trainees have a shared experience, are able to bond, and go through the same training and development so providing a peer support network.

### 3. Difficulties reaching young people

For a minority of employers, there is willingness to engage with the youth labour market but a lack of demand or interest on the part of young people, for instance, Manufacturing, Hospitality and lower-paid care work are thought to be less appealing to young people. Employers believe this is because young people consider these areas poorly paid, with little opportunity for progression and/or are 'not glamorous'. For example, one Manufacturing employer reports it easy to recruit young people for their Sales and HR roles but not for those based in their factories.

Similarly, retention of young people can be particularly difficult in some sectors, reducing the return on investment in training. Retail and Hospitality businesses report that most young people they recruit only stay short term because it "is the job you do while you find real work." Retail and Hospitality, London

In addition, a small number of employers are uncertain where young people might go to look for opportunities and this was especially the case where employers speak about trying to engage underrepresented groups or more disadvantaged individuals.

Few employers were able to identify solutions they had put into practice, and many would welcome more information and support about how to best reach and engage young people (especially those disadvantaged) i.e. partner organisations to work with, recruitment approaches, ways to motivate and inspire young people to enter their organisation/sector that might help increase capacity to engage more young people.

## Solutions

**Increasing company/ sector appeal/ profile among young people.** Some employers link shorter-term programmes to 'real jobs' or interview opportunities, so young people can see a clear progression pathway and an incentive to participate. A handful of employers gave examples of steps they had taken to make their industry and organisation seem more attractive to young people e.g. a Manufacturing organisation creating a specific work placement scheme focused on their more 'fun and attractive brands' to get young people through the door – creating a chance to talk more to them about other opportunities on offer.

**Interactive approaches.** A few employers talked about trying to be more interactive, going to where young people are to start a conversation about opportunities and build awareness of brand/company, rather than just placing advertising aimed at young people in their 'usual places'. For example, seeking out people through previous candidates using social media, attending job fairs, building relationships with local schools, colleges, training providers, or universities.

**Third party organisations.** As discussed earlier in the report, partner organisations (specialist recruitment agencies, charities or government-funded organisations) are key to many employers, although building and maintaining relationships with these partners could be resource intensive.

The final two challenges and barriers relate to the **opportunities** that employers have to offer work-related opportunities to young people. These are less commonly mentioned by large employers due to their size and available resources:

### 4. Logistical concerns

Access is a barrier for a small number of large employers, particularly those with sites based in rural areas or with little (or costly for young people) public transport. Those in remote areas may have live-in staff, but do not allow this for under 18s. Workplaces requiring particular dress, uniform or equipment may be unaffordable for some young people.

Some employers in Hospitality, Manufacturing and Construction, feel limited by health and safety or safeguarding risks, especially for those under 16 and looking for work experience. Issues include late working hours, access to alcohol, and potentially dangerous equipment.

*“With young people, the lack of experience, the lack of maturity - they're more likely to have accidents etc. So there's a bit of an unwillingness in some teams to commit to it because of the additional problems they see coming with them.”*

Manufacturing, Wales

## Solutions

Few employers had ideas on how to overcome these logistical challenges. Many organisations provide support with costs of travel but note that this does not overcome issues of poor transport links and add that smaller organisations may not be able to afford to cover costs in this way. In most cases, logistical considerations became less important with age, but financial barriers remain.

## 5. Complexity of youth labour market

Finally, most employers feel the youth labour market landscape is complex and find it difficult to navigate government-funded schemes. Often, employers struggle to understand which schemes might be the best fit for their organisation's needs or which are best managed at a national level and which require local offices/sites to take the lead. Where the latter is the most appropriate, funding rules can vary by region or nation, which adds further complexity and confusion.

*A minority of employers interviewed were unaware of Kickstart, but once explained were interested in knowing more; "it is perhaps a lack of national awareness and PR campaigns as I've never seen anything promoted. There are plenty of initiatives – it's about how much contact they make with employers."*

Manufacturing, Midlands

Employers struggle with some aspects of the apprenticeship programme in particular, including funding and recruitment mechanisms.

*"The apprenticeship space is really murky and difficult for employers to navigate. Working out the apprentice levy and what it can be used for is unclear."*

Creative Industries, UK

## Solutions

**Support and guidance.** Having more easily accessible information that would help navigate schemes (in particular apprenticeships) would be advantageous (and reduce resource and time needed to research). Employers who worked with Movement to Work and other specialist agencies value the help they get to take advantage of new schemes and processes. Being able to network with other employers or providers to understand what they offer and 'what is out there' was also suggested by several employers.

**Cross-boundary collaboration.** Less restrictive funding rules (or more support to navigate them) would be useful, especially for these large employers who often work nationwide and want to offer the same routes and opportunities across all their sites.



## 7 Future plans to engage with the youth labour market

Most employers are looking to either increase their levels of engagement with the youth labour market or maintain the levels they currently have. Increased engagement is expected to be delivered:

- By increasing the volume of opportunities via existing schemes e.g. increasing the number of apprenticeships they offer, rather than engaging in new ones
- By taking advantage of the rise in remote working i.e. not having a limit on capacity of numbers to attend (virtual) employability workshops. A few employers are looking to take advantage of other strengths of virtual working including allowing students to work through material at their own speed and diversify the support they offer.
- If the business sees the growth it expects to.

*“My department is looking at vocational areas that have realistic outcomes for the learners we support. Customer service or retail is an avenue we could add to our programme. It’s looking at the vocational areas that are achievable.”*

Retail and Hospitality, England and Wales

The main **motivations for most employers to increase their engagement** centre around similar motivations for their current levels of engagement, e.g. developing skills needed for the future and ensuring the talent pipeline is strong – especially in organisations with a higher proportion of older employees. A couple of employers are motivated because of their awareness of how the pandemic has impacted young people’s prospects.

A handful of employers indicate that, whilst keen to increase levels of engagement, they are unsure of what this might look like in reality until the organisation has progressed further through post Covid-19 recovery. Those in the Retail and Hospitality, Construction or Creative Industries are more likely to primarily focus on stabilising their businesses first.

*“It’s not the fact that we don’t want to, we do want to. We want to build them and grow them, but it’s how are we going to do that that is uncertain at the minute.”*

Construction, UK

Many are keen to recommit to the schemes they were involved with or were considering prior to Covid-19, which they paused or lapsed. For example one hopes to sign up to the ‘10,000 Black Interns’<sup>7</sup> programme and another (already working with MtW) is going to ‘reboot’ their youth employability programme and involve more of their sites.

Others speak of the desire to **raise the profile** of their organisation and the opportunities they have available amongst young people. Suggested ways to do this include: collaborating with intermediary organisations, linking with schools and colleges more (e.g. hosting open days, attending careers fairs), building better links with the local community (e.g. Jobcentres) as well as thinking of new platforms to advertise opportunities on.

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7 <https://www.10000blackinterns.com/>

## 7 Future plans to engage with the youth labour market

A few employers thought they could engage more, and more effectively, by **streamlining** their current processes. For example, one employer spoke about streamlining the onboarding process by bringing new recruits (primarily young) in at one point in the year e.g. September. Another employer wants to move away from a placement-to-placement model:

*"I think in the past we've done a great job of providing placements, giving a fixed opportunity, but part of my vision and plans is how do we go from placement to career pathway. So actually having a long term future in the business, getting them into permanent roles... ultimately you're not going to break down social mobility unless you really help with progression so that's something really at the forefront of our mind."*

**Retail and Hospitality, UK**

A few employers expect their organisation to consider engaging more disadvantaged young people through their schemes in the coming years but recognise the challenges they may encounter. For example, one Construction organisation thinks there will be more skilled tradespeople in the labour market, as a result of Covid-19 and Brexit, which will make it even more difficult for the disadvantaged to secure work. Whilst another employer acknowledged that engaging with more young people from disadvantaged backgrounds will require a 'culture shift' from senior management, but is something the organisation wants to do and is why they have taken the first step of hiring an EDI manager.

## Conclusions and recommendations

This chapter discusses how the findings address the original research objectives. Based on the evidence presented in this report it then identifies a number of recommendations for helping employers to engage in the youth labour market going forwards.

### **Attitudinal/behavioural barriers and enablers**

High quality engagement requires commitment across all levels of a business, but is most impactful when present amongst senior stakeholders e.g. Directors, CEOs and senior managers. A few employers feel that having input from across the business and senior buy-in increases the likelihood of more disadvantaged young people in particular gaining opportunities within the business. This is because the additional resource required to support these young people is not then seen as prohibitive. Senior buy-in is driven by a range of factors including diverse leadership teams, senior staff having benefitted themselves from youth engagement schemes, as well as (and most importantly) an understanding of the business case for youth engagement. However, few employers have CSR objectives directly linked to engaging young people and EDI policies were typically not age-focused.

Where senior buy-in was lacking, this could be for a number of reasons. Employers in sectors with a young workforce, such as Construction, Retail and Hospitality, generally find it easy to recruit young people meaning there is less of a drive to review their recruitment process or provide other routes into the industry.

Many highlight that young people bring energy, enthusiasm and openness to learning to an organisation. These attitudes were reported to boost wider team morale, inject new ideas and drive efficiency through challenging existing practice.

Some employers reported lack of demand or interest from young people as a barrier. Certain sectors and occupational areas are thought to be less appealing to young people due to perceived working conditions and low pay, notably Manufacturing, Hospitality and care work.

### **Operational and logistical considerations**

The key operational concern for all employers, including large businesses, is the staff resource needed for supervision of work activities and / or provision of support to help young people learn how to do their role. Whilst many large employers see this cost as outweighed by the benefits of engagement, those that exhibit the highest levels of engagement (i.e. offering a range of different opportunities) thought that organisations need to be realistic about the amount of work involved and be prepared to dedicate sufficient resource to make it a success. This resource requirement to 'do it well' can therefore limit the volume of opportunities offered for some of these highly engaged employers.

Added to this is the context of the Covid-19 pandemic and the ongoing economic uncertainty. Recruitment has generally reduced and engagement with youth employability programmes dropped.

### Skills, knowledge and resources to engage

Having the necessary internal resource to focus on youth employment is viewed by employers (especially those with dedicated roles or teams) as a key enabler of engagement. Many large employers have specific resource for: researching government schemes; engaging in youth recruitment, liaising with schools and colleges to find applicants and raise the profile of the employer, on-boarding young people into the business, providing formal and informal training and support.

External partnerships are also a key resource, with those employers working with intermediary organisations reporting that these partnerships enable them to engage at scale or with regularity. In particular, partners/intermediaries provide knowledge and support regarding best practice, as well as specific help with recruitment. For those that did target disadvantaged groups, it was common for them to work with intermediary organisations to promote opportunities and find suitable candidates.

Government initiatives were viewed as an enabler of engagement in terms of the financial support with lower wages and subsidised training. However, a few employers also mentioned that the complex youth labour market landscape was difficult to navigate, and that government-funded schemes were too complex.

### The power of the business case

A majority of employers have a core set of programmes through which they recruit young people, such as graduate schemes or apprenticeships, to meet their current and future business needs. A few employers, and the industries they work in (e.g. Retail and Hospitality and Construction), are experiencing skills shortages and engaging young people is seen as an important way of filling those gaps.

Providing work-related opportunities to disadvantaged groups is linked to CSR and usually takes the form of short work experience and placements opportunities which employers can afford to offer for altruistic reasons. However, when it came to longer work placements and apprenticeships, employers are more likely to report being motivated by the expected future benefit to the company, in terms of identifying future staff and training new workers. This suggests that where greater investment is required, the business case and level of company benefit becomes more important in determining employer engagement and provision.

## Recommendations

These findings suggest several ways to encourage greater engagement amongst large employers.

### Stimulating demand

- **“Start small”.** The resources required to deliver meaningful opportunities at scale can be substantial - employers should be encouraged to take an initial approach of ‘quality not quantity’. Pilot schemes, allowing for trial and error, setting programmes up slowly and appreciating the capacity of the organisation to ‘absorb’ young people – especially where satellite sites may have small staff numbers.

- **Employer advocacy.** Hearing the voice of other employers is the most powerful way to get messages across. This is not just about hearing positive experiences from employer advocates but learning how other businesses of similar sector and size have experienced and addressed challenges. Recognising that there are limited incentives to collaborate in the private sector, ultimately the PR and brand value can only be a good thing.
- **Build the business case.** Few large employers had undertaken any formal cost benefit analysis for the range of work-based opportunities they offer. Linked to the advocacy point, tools / guidance and support to conduct such an exercise (and share results) might help provide further impetus to scale up levels of engagement.
- **Covid recovery.** The impact of Covid-19 on large employers has been varied, with some seeing the benefits of virtual work experience in providing access to a wider talent pool, while others struggle to recruit suitable candidates for a high volume of vacancies. Both present a potential route to increased engagement, with high quality digital placement opportunities acting as a work trial for potential new candidates.
- **Navigating the youth employability landscape.** Some employers were simply not aware of the government-funded schemes on offer that they had access to, and therefore not aware of the potential benefits their organisation could reap. Others found the landscape complex and time-consuming to navigate. Support for employers to identify and match them to relevant opportunities is likely to prove beneficial for scaling up engagement.

## Recruitment

- **Interactive approaches.** A few employers talked about the importance of being interactive in today's job market, of going to where young people are to start a conversation about opportunities, rather than just placing advertising in their 'usual places'. For example, seeking out people through previous candidates using social media, attending job fairs, building relationships with local schools, colleges, training providers, or universities.
- **Intermediaries/partnerships.** Employers that engaged specifically with disadvantaged groups often connect through intermediary organisations. This was seen as a 'win-win' situation for both, as employers were able to increase the diversity of their workforce while the intermediary organisations were helping someone from a disadvantaged background into work. Employers and intermediary organisations should be proactive in seeking out further partnerships of this kind.

## On-the-job

This research has identified a range of ways in which employers can ensure that engagement opportunities provide the best possible experience for young people, whilst also maximising benefit and minimising costs to their organisations.

- **Induction training** on day-to-day professional skills, e.g. time management, work-appropriate language and communication skills, to address issues around work readiness upfront.

- **Clearly defined roles**, maximise the value individuals gain from the experience by making them feel there is a defined role for them and therefore they are a valuable addition to the business. This also benefits retention.
- **Training opportunities**, whilst not specific to young people per se, ensuring that young people are given the skills to do their roles effectively and improve their overall employability is very important.
- **Buddying and peer support**. Mentoring and buddying schemes are used by employers to increase the likelihood of young people feeling supported and valued and therefore improve retention and loyalty. This was also said to be helpful in role modelling workplace behaviours. Some employers recruit in cohorts (i.e. once a year) so trainees have a shared experience, are able to bond, and go through the same training and development so providing a peer support network.
- **Supporting the supervisors**. Be upfront about the benefits and reward but also the commitment needed, and ensure these staff have appropriate education and training beforehand, as well as ongoing support networks and opportunities to ask for help. Sharing supervisory responsibilities over time or across a team can help reduce the burden on individuals and give young people access to a range of perspectives, working styles and experience.
- **Flexibility**. A number of employers suggested a need to have realistic and fair expectations of young people and accept that they are new and inexperienced –especially in the first few weeks or months. Businesses need to be both flexible to allow young people to be themselves at work, and supportive, to ensure they have the skills needed to succeed in the workplace.

## Progression

- **Clear routes through the organisation**. Employers participating in this research ran an array of initiatives for young people but few had coherent, structured pathways between these schemes. Such pathways will be critical in providing opportunities for disadvantaged groups to progress, as well as benefitting employers through increased employee loyalty and retention.
- **Progression through government programmes**. A number of employers in this research were engaging or beginning to engage in Kickstart. Employers must collaborate with partners to facilitate transitions for Kickstarters into apprenticeships and other progression opportunities, if not within their own business within their wider sector.
- **Moving beyond altruism and the talent pipeline**. Employing young people is seen as a great way of increasing the diversity within organisations, and therefore the diversity of ideas and skills their business can access. Diversity is also known to improve retention as people feel free to be themselves at work. When talking about youth engagement (particularly those from disadvantaged backgrounds), a more progressive narrative would focus on the benefits for workplace culture, competitiveness and cutting edge ideas. Buying in to giving young people opportunities is a business strategy not just an HR concern or CSR issue.

## 1. Engagement with disadvantaged young people, motivations, and benefits

### Construction, England and Wales

[Employer] is a global Tier 1 Construction company involved in commercial and domestic construction. Its Head Office is in France but it has been operating in the UK for over 20 years. They need to recruit those with technical, administration and site management skills for roles such as engineers, quantity surveyors, site managers, and administrators.

They use a mix of recruiting externally, training existing staff and taking on apprentices and trainees to meet their skills needs. They also have a strong emphasis on engaging disadvantaged young people and recruiting young people from the local area (where construction is taking place).

"NEETs are a huge target group" for them at the moment but they are also targeting groups like young women, young black men, disabled individuals, care leavers and ex-offenders. They do this through colleges, charities, specialist skill centres and construction academies, such as Bounce Back, A Fairer Chance and Women In Construction.

This focus on engaging young people, especially those disadvantaged in the labour market, is driven by the company's CSR and EDI commitments, but also, sometimes, requirements from clients via a Section 106 agreement. For example a local authority may specify that they take on "20% of local labour, offer at least two apprenticeships, several traineeships and also work placements".

*"In terms of CSR, whether it be people or it be planet, it is about giving back; it's about setting the agenda for zero-carbon, for example, planting trees. On the people side, it is about working with communities and making sure those communities are benefitting from what we're doing...We make sure we take on local labour, we make sure there's community engagement, we make sure we do community makeovers, we do foodbanks, we deliver courses to people who live in the local area so that they are not excluded from the regeneration of the area."*

EDI is taken seriously, and the business has a diversity inclusion group that has a voice within the business. There is an EDI group within the business called Kaleidoscope that looks at BAME issues, another group called Encompass, that looks at LGBTQ+ issues, and another group that looks at disability issues. The business also has FIR (fairness, inclusion, and respect) ambassadors, of which the respondent is one, appointed by the business, who undertake mandatory workshops twice a year to discuss various aspects of EDI and mental health, and additional information is cascaded down from managers to their teams around those issues.

<sup>8</sup> <https://www.bouncebackproject.com/>; <http://afairerchance.com/>; <https://www.womenin-construction.co.uk/>

<sup>9</sup> A section 106 agreement is an agreement between a developer and a local planning authority about measures that the developer must take to reduce their impact on the community.



For [Employer], engaging in youth employment is vital to bring talent into the industry and address the company's ageing workforce. However, they recognise the specific benefits of recruiting a more diverse range of people to ensure that fresh ideas from a wide pool of talent are entering the business. They believe that the company will have a more dynamic and varied way of finding solutions because everyone will think and act differently.

*'If everyone was to employ different ethnic minorities, and females, people from different genders, backgrounds and cultural differences, you bring them all into a melting pot, you're obviously going to get a better team.'*

## 2. Maximising the benefits: Structured training and development teams/opportunities

### Manufacturing, UK

[Employer] is a British multinational consumer goods company headquartered in London. They manufacture products across three core divisions: food and refreshment, home care and beauty and personal care.

Young people form an integral part of their workforce, working across departments (e.g. HR, finance, legal, research and development, sales) and sites (e.g. Head office in the South East, laboratories for research and development in the North). Young people are typically engaged and recruited through one of their core programmes: work experience (4-6 week placements with people recruited via Jobcentres), graduate programmes (e.g. Future Leaders Programme), apprenticeships, industrial placements (12 month placement for penultimate year university students) and summer internship programmes. In order to attract young people to the business, they work with schools and universities (to raise awareness of them and the careers they offer), external partners (e.g. Movement to Work) and a recruitment agency.

[Employer] has developed a unique structure to support those entering the business. Everyone who is on one of the core programmes (Apprenticeships or Future Leaders Programme) is given the opportunity to be part of one of eight development teams that are seen as a mutually beneficial way to maximise the value and reach of such programmes. Each team is a mix of apprentices and graduates working together and are headed up by someone who are in the second year of their graduate programme.

Development teams benefit young people coming into the business as more support, training and activities are available to them, benefit the company by maximising the amount of outreach and support to young people possible and benefit the young people in the teams by providing unique leadership and networking opportunities.

*"My team is currently a team of five, so very small, and all of this is extra work that they help us to deliver... we wouldn't be able to do all of this stuff by ourselves. It's amazing to have their support, time and energy to help deliver some of our future careers activities."*



Examples of their responsibilities include:

- Outreach team - help by planning and going to schools and universities to promote the company and their programmes. This year they designed and ran a series of virtual learning labs for National Apprenticeship Week, covering employability skills and programme promotion.
- Onboarding team – help to plan and execute the onboarding for those entering the organisation's core programmes for example "planning the first two days for the new cohort of industrial placements coming through".
- Community team – organise social and networking opportunities for those within the core programmes, for example, organising several 'get to know you calls' where senior colleagues speak to those on the future careers programme and share tips for a successful career.

*"We absolutely love having the support of the people that we hire to help us with some of our activities. But I think it's really great getting those involved in the programmes to do it as well, because it gives them the opportunity to do something different, and develop different skills that they might use in their day job... It also helps those involved in the teams to develop those 'standards of leadership future fit skills' which we have across [organisation]...So yeah, I think they will enjoy it as well, which is also a good thing."*

There are also specific structures and processes in place to maximise the benefits for those taking part in the Movement to Work 4-6 week work experience placement. Individuals have a dedicated line manager and have a tailored work plan to work towards. At the end of the 4-6 weeks, they present what they've been doing back to the business. Individuals who have performed particularly well, or are quite interested in working at the organisation long term, can be fast tracked to the final stage of recruitment for their Apprenticeship Programme as a result.

### 3. How to overcome the challenges of additional supervision time and lack of work readiness

#### Retail and Hospitality, London

[Employer] is a luxury hotel in London who employs young people via schemes such as apprenticeships, traineeships, and T-levels. There is appetite and scope to increase their involvement in such schemes following a long period of being closed due to Covid-19. This is being driven by a rise in positions available, specifically at entry level, caused by individuals leaving the UK due to Brexit.

Lack of experience and not being 'work ready' is the main challenge this employer experiences when engaging with young people, resulting in a need for additional training and supervision. This is a cost to the business in terms of time, but can also impact negatively on staff morale, which has greater consequence.

*"It has an effect of potentially affecting the team morale; if somebody is feeling like they need to pick up extra work because of a new-starter that is low-skilled that isn't being productive, then they may start to feel burnt-out, they may start to feel additional stress and that increased negativity is contagious, and that can have a big impact if not managed correctly."*

The business has worked to address these challenges in a number of ways:

- Recruiting in cohorts so trainees have a shared experience, are able to bond, and go through the same training and development together. This helps speed up learning and reduces learning and supervision time required from other colleagues.
- Working with organisations like Springboard who can help get young people ready for the workplace. Springboard do this by prepping them for what to expect and helping match them with positions within the business. This employer felt that organisations like Springboard "that provide the initial employability skills; that definitely helps".
- Limiting the number of people they take on for a particular position if there isn't adequate resource to support and training individuals. This ensures that those joining have the support they require and accelerates when they will be productive: "We want to make sure that they are getting the right experience, so it limits us in terms of numbers".

Overall, the business recognises the value young people have within their organisation and that it's better to invest the time needed to support them adequately to ensure a good return of that investment.

*"I would say stay open-minded, it will be challenging and that is part of the process. Plan ahead and plan how you are going to support that person in the business and how you are going to have those conversations with key people within the business, and follow through on that support once the person is in the business because otherwise you end up actually perpetuating the problem, that the person didn't succeed and that reinforces the mindset, rather than changing it."*

#### 4. The benefits of working with intermediary organisations

##### Retail and Hospitality, London

[Employer] is a Creative Industries company in the UK who build and maintain advertising structures in the local communities, and then sell the advertising space.

The company have always recruited young people, but in recent years have wanted to help foster more diversity within the business and wider industry which has traditionally been dominated by middle class, white individuals with good educations.

In order to achieve more diversity within their organisation, they decided to work with intermediary organisations to recruit for their placements and move away from focusing

on traditional graduate recruitment. For example, they began working with the Brixton Finishing School (BFS) who provide programmes for underrepresented 18-25 year olds to increase employability and skills.<sup>10</sup>

*“We decided to open doors through the Brixton Finishing School (BFS) to bring in people who aren’t graduates but have given some thought to the industry they wanted to be in. We love BFS’s ethos. They filter people to us and if they graduate from the BFS programme we know they are motivated as well. A diverse talent pool with an interest.”*

Working with such organisations is beneficial to [Employer] because it: increases the pool of young people they have access to for recruitment; reduces the time required by the business looking for such candidates, as well as; increasing the likelihood of the young people they hire being motivated and committed to the opportunity.

Having seen the benefit of working with such organisations, they have since partnered with another organisation called Media for All who work to encourage more Black, Asian, and other ethnic talent into media as well as providing a support and mentoring network.<sup>11</sup>

## 5. How to maximise opportunities for disadvantaged young people

### Professional and Financial Services, UK

[Employer] is a global Professional Services company offering strategy and consulting, interactive, technology and operations services with a focus on digital, cloud and security capabilities. Their main strategy is called ‘skills to succeed’ which is about enabling individuals from disadvantaged or underrepresented groups to access the skills they need to get into employment or to set up their own business. As part of this, they work with partners including Movement to Work and offer a host of opportunities (including apprenticeships, summer placements and work experience programmes) for young people, and those more disadvantaged in the labour market. For example, they have recently created an experience programme which is for NEET candidates (which has been run virtually during the pandemic). This five day programme aims to take the young person through all the different stages of a project and includes an employability skills session, a case study exercise, and a presentation to a panel at the end of the week.

*“One-week, quite impactful, fast-paced, really motivating session is enough for the young people to work out if a career in technology is a career for them and for us to work out if they seem a good fit for [organisation]...ultimately it’s all about finding the right opportunities for young people, raising their career aspirations, and not setting them up to fail”*

<sup>10</sup> <https://brixtonfinishingschool.org/our-mission/>

<sup>11</sup> <https://www.mediaforall.org.uk/>

They identified the following activities and enablers as ways to maximise what they can offer and increase the success of these programmes:


- **Onboarding training.** They acknowledged that one challenge of working with young people, especially those who are more disadvantaged in the labour market, is not having the day to day professional skills needed to succeed in the workplace e.g. time management, writing professional emails etc... To address this, they created a bootcamp at the beginning of their apprenticeships scheme to on-board the young people more effectively.
- **Dedicated and ad hoc resource.** Having an individual in a dedicated role who is responsible for recruiting young people from a diverse pool both demonstrates that this is a company priority and improves the quality of young people they take on. They also make use of young people already in the business (e.g. apprentices and graduates) to help reach out and engage others (e.g. mentoring, going on schools visits).
- **Working with other companies.** Speaking with other companies to learn best practice and techniques/approaches that have helped improve the experience of employing young people. They speak about the support Movement to Work gives by convening companies to enable this dialogue.
- **Using data to improve recruitment.** One of the key ways they find candidates is to go through previous pipelines, so identifying individuals who have previously applied to their apprenticeship programme, but who didn't quite qualify. These candidates are often then offered shorter-term placements in the hope of improving their skills and experience, consequently increasing their chances of getting onto a longer-term programme in the future. Their system also flags any candidate that is from lower socio-economic background already and so they can use this as an extra filter for finding people.



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