

## ***It's who you meet: why employer contacts at school make a difference to the employment prospects of young adults<sup>1</sup>***

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### ***Key points summarised***

- Youth unemployment is a growing problem with long term consequences for those who suffer it
- While young people experience some disadvantage in the labour market in all countries, there are very considerable variations in levels of youth unemployment across the OECD countries
- Among the reasons why young people are disadvantaged in the labour market is that they often, in comparison to older workers, lack the skills, experience, job-seeking insights and networks relevant to available jobs
- OECD analysis demonstrates that those countries with education systems which offer combinations of classroom learning and workplace exposure linked to vocational pathways (as through the German-style apprenticeship system) typically experience much lower youth unemployment rates
- US research shows that where academic education pathways include considerable employer contacts that positive labour market outcomes are also to be found
- New British evidence shows statistically significant positive relationships exist between the number of employer contacts (such as careers talks or work experience) that a young person experience in school (between the ages of 14 and 19) and:
  - Their confidence (at 19-24) in progression towards ultimate career goals;
  - The likelihood of whether (at 19-24) they are NEET or non-NEET
  - Earnings if salaried
- The 7% of young adults surveyed who recalled four or more activities while at school were five times less likely to be NEET and earned, on average, 16% more than peers who recalled no such activities. The findings are not linked to highest level of qualification.
- The literature suggests that such significant labour market outcomes are best explained by the increased social capital (access to sources of non-redundant, trusted information) enabled by employer engagement rather than by human capital accumulation
- Young people are known to be especially attentive to the views of professionals they come into contact with in educational settings and overwhelmingly agree that contacts help in career decision-making
- Recent longitudinal research has highlighted the adult labour market costs of career indecision or unrealism at age 16 in terms of later risk of NEET status and lower earnings
- UK and US evidence suggest that access to employer contacts can serve either to complement existing social advantages or compensate for disadvantage – new UK research suggests that it may well be former pupils from independent schools who appear to gain most from current British experiences of employer engagement
- Evidence of wage premiums suggests a link between high levels of school-age employer contacts and ultimate workplace productivity – a connection which is endorsed by a rare recent British research project

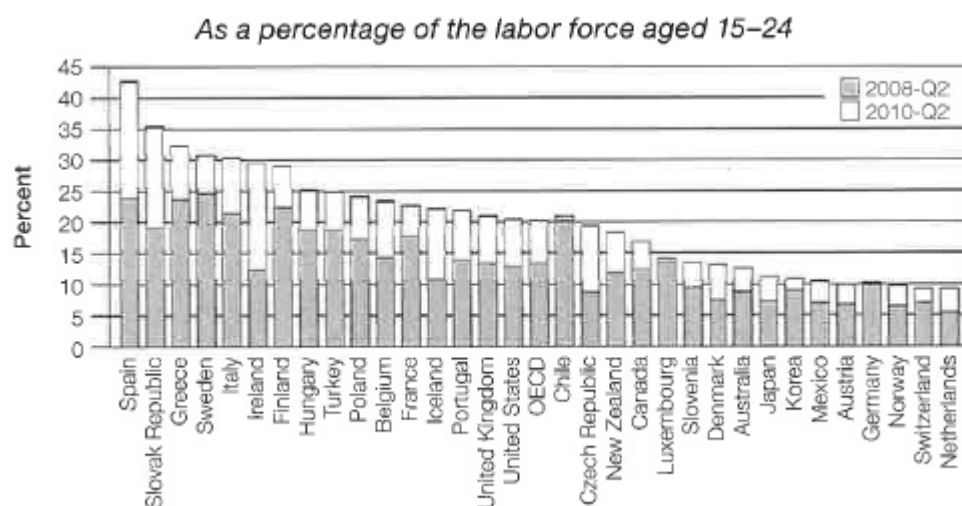
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1 The author is grateful to YouGov for providing, pro bono, survey material which is drawn on in this report.

## 1 Youth unemployment: variation across OECD countries

Over the last generation, across the OECD countries, the transition from school to work, the move from full-time participation in education or training to continuous full-time employment, is widely agreed to have become longer, more complex and more turbulent.<sup>2</sup> In UK, which reflects the OECD average, the youth penalty in the labour market is witnessed in unemployment levels for young adults, aged 18-24, which are twice the level of older workers. Such a disadvantage has attracted much attention from analysts and policy makers because of its wider implications. Youthful experience of unemployment is widely agreed to have a ‘scarring’ effect on the lifetime prospects of an individual, being linked to lower levels of employment and earnings through life.<sup>3</sup> Moreover, the experience of youth unemployment is uneven, with concentrations in particular geographic areas increasing the risk of wider negative social consequences. What further drives interest in the phenomenon is, however, the growing recognition that levels of youth unemployment, in their own right and in comparison to those experienced by older people, vary considerably between comparable countries. As US analyst Nancy Hoffman has shown (table 1) in a new publication from Harvard Education Press, while youth unemployment had risen in all countries since 2008, the proportion of young adults in search of work across the OECD countries varied (in 2010) from less than 10% in the Netherlands to over 40% in Spain.

**Table 1:** Comparative levels of youth unemployment, 2010. OECD countries.<sup>4</sup>



Source: National labor force surveys, High Level Forum of Jobs for Youth Oslo 2010

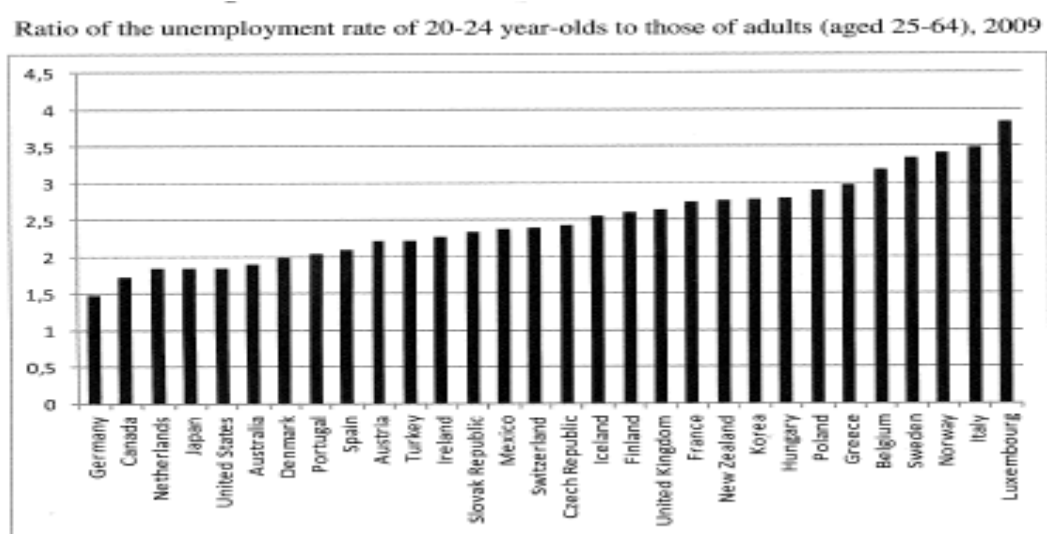
2 Schoon, I & Silberstein, R. K (2009) “Conceptualising School-to-Work Transitions in Context” in Schoon and Silberstein eds, *Transitions from School to Work – Globalisation, Individualization, and Patterns of Diversity*. Cambridge University Press, 2-3;

3 OECD (2010), *Off to a Good Start? Jobs for Youth*, 31-33

4 Hoffman, N. (2011), *Schooling in the Workplace – How Six of the World’s Best Vocational Education Systems Prepare Young People for Jobs and Life*. Cambridge, Ma: Harvard Education Press, 3

The variability in the additional barriers faced by young people in the competition for jobs is equally striking. As OECD data shows, a young German, Dutch or Canadian adult faces a comparatively modest disadvantage in the competition for available jobs compared to their peers in Italy who face unemployment rates three times higher than older Italian workers.

**Table 2:** Relative unemployment of young adults compared to older workers, 2009. OECD countries.<sup>5</sup>



Source: OECD (2010a) OECD Stat Extracts website, <http://stats.oecd.org/Index.aspx>

This essay takes an international comparative approach to try to understand such variation and the extent to which education systems can serve to reduce the risks of unemployment to young adults by increasing their ability to compete for jobs even when the total number of vacancies is limited. In doing so, it provides a new insight into the British experience of school to work transitions and drivers of success or failure within it.

## 2 Young and workless: understanding the youth penalty in the competition for jobs

Analysis of variation in youth unemployment has focused on demand- and supply-side issues.<sup>6</sup> Technological innovation and globalisation since the 1970s, for example, have been seen as driving up the skills levels required by employers in different ways, often placing

<sup>5</sup> OECD (2010), *Learning for Jobs: Synthesis Report of the OECD Review of Vocational Education and Training*, 27

<sup>6</sup> See Schoon, I. & Silbereisen, R. K. (2010) "Conceptualising School-to-Work Transitions in Context" in Schoon, I. & Silbereisen, R. K. eds, *Transitions from School to Work: Globalisation, Individualization and Patterns of Diversity* (Cambridge University Press), 3-29; OECD (2010), *Off to a Good Start? Jobs for Youth*.

new entrants to the labour market at a structural disadvantage to older workers. Labour market regulation moreover, as seen in minimum wage levels, also influences demand for younger workers. While the demand-side approach can help explain the relative attractiveness of younger workers, it struggles to explain the extent of variation reported across the OECD or explain why certain young people do make smooth transitions from education to work, and others do not. That second question focuses attention on the supply-side – the qualifications, knowledge, skills, attitudes, behaviours individually embodied by young people as they compete for jobs and embark on life courses which ultimately steer levels of social mobility within a society. In this analysis, while academic qualifications are certainly highly important in determining employment levels, they do not do so exclusively.<sup>7</sup> After all, the generation of young people now facing record levels of youth unemployment in countries like the UK bring with them unprecedentedly high levels of qualifications and years of education. And while certainly, possession of higher level qualifications reduces the risk of unemployment, it does not remove the risk completely.<sup>8</sup> The UK Commission for Employment and Skills has shown that over a quarter of young British unemployed are qualified to level 3 (A-levels or equivalent) or above and over half have a level 2 qualification (the equivalent of 5 GCSEs at grades A\*-C).<sup>9</sup> Other factors, beyond qualification levels, are important in explaining the youth penalty. As the International Labour Organisation has helpfully and succinctly explained, three key practical reasons help to explain why young people “have long been disadvantaged when it comes to finding work...:

they have less work experience; they have less knowledge about how and where to look for work; and, they have fewer contacts upon which to call.”<sup>10</sup>

And in keeping with this assessment, in the UK (and elsewhere), the focus of much state remedial activity with the young unemployed has focused on giving them access to work experience (through subsidised jobs), help in job searching and applications (as through job clubs) and brokering access to job opportunities with employers (through job centres).

The ILO assessment serves, however, to prompt policy makers across the OECD to consider whether greater access to such experience, job-related information and networks prior to entry into the labour market can positively influence employment outcomes, and if so, how can such interventions be most effectively, efficiently and equitably delivered. More than that, it asks whether there is any benefit in increasing access to job-related information and networks within education system, such as that of the UK, where curriculums up to the age of 16 have historically provided little space for development of workplace experience, and where co-ordinated apprenticeship pathways leading directly from classroom to workplace

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7 OECD (2010), *Off to a Good Start? Jobs for Youth*, 60-62

8 OECD(2010), *Off to a Good Start? Jobs for Youth*, 29, 71-97

9 UKCES (2011), *Youth Enquiry Evidence Base*. UK Commission for Employment and Skills <<http://www.ukces.org.uk/assets/bispartners/ukces/docs/publications/the-youth-inquiry-evidence-base.pdf>> Accessed: January 23 2012.

10 ILO (2010), *Investing in young people: An ILO briefing note on the challenges, urgency and means*, 2

have been poorly developed.<sup>11</sup> Can schools and colleges in the liberal British system help provide young people with access to resources, on top of their educational attainment, which allow more effective progression towards sustained employment? And if so, are British schools proving successful in providing resource to those young people whose personal circumstances make it hardest to access the experience, knowledge and contacts which might allow them to enter the labour market on a more even footing?

### 3 Workplace exposure within educational experiences: OECD findings

Helpfully, the OECD has devoted some significant resource to understanding the variation in international experience shown above. Its 2010 reports *Off to a Good Start? Jobs for Youth* and especially *Learning for Jobs* which represented a concluding analysis from 17 national studies, together provide a unique insight into both the variation of experience across countries and the educational practices related to young people's employment outcomes. The studies found that countries supporting the most effective school-to-work transitions enabled and encouraged young people to combine study with work in later years of secondary schooling. In particular, reviewers, such as Nancy Hoffman, highlighted the effectiveness of vocational education systems which link education with labour market needs and include substantial learning in the workplace.<sup>12</sup>

The construction of strong vocational educational pathways has historically proved an impossible challenge to the more liberal, uncoordinated and largely academically-focused British and American education systems, insights from the OECD study suggest that employer engagement alone serves to ease the transition of young people from school to work regardless of the vocational design of learning programme.<sup>13</sup> As the reviewers who undertook the *Learning for Jobs* study concluded that all schools:

should encourage an understanding of the world of work from the earliest years, backed by visits to workplaces and workplace experience. ...Research studies suggest that young people particularly value information on jobs and careers if obtained in a real workplace and through contacts with working people. Through such experience young people can be introduced to some of the choices they will face in their professional and learning pathways.<sup>14</sup>

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11 OECD (2010), *Learning for Jobs*, 32

12 Hoffman, N (2011), *Schooling in the Workplace*, 4, 176. OECD (2010), *Learning for Jobs*, summary and policy messages, 9-22. OECD (2010), *Off to a Good Start*, 17, 78-83 – the study highlights the draws a contrast between educational approaches which combine study and work, with a study first, work second approaches and in endorsing the former approach draws on considerable data highlighting the benefits of teenage paid part-time employment as a means of securing workplace experience.

13 Conclusions and policy consequences stemming from the *Learning for Jobs* project are helpfully summarised in two Harvard studies by leading American members of the OECD review team: Hoffman, N., (2011), *Schooling in the Workplace – How Six of the World's Best Vocational Systems Prepare Young People for Jobs and Life*. Cambridge, MA: Harvard Education Press; Harvard Graduate School for Education (2011), *Pathways to Prosperity – Meeting the Challenge of Preparing Young Americans for the 21<sup>st</sup> Century*. While aimed at US audiences, the insights are very relevant to the British educational context.

14 OECD (2010), *Learning for Jobs*, 85

#### 4 Employer engagement within non-vocational educational provision: international evidence of impact

Certainly, one common international approach to better prepare young people for the world of work has been to increase work-related learning content within educational provision, regardless of the balance of vocational or academic content. Over the last generation, governments across the OECD have pursued policies to increase the engagement of employers in the mainstream educational experiences of young people.<sup>15</sup>

However, the question of what happens to the learning and progression of a young person as a result of such engagement remains largely under-researched, if with some important exceptions. In the United States, the introduction of the School-to-Work Opportunities Act (1994), led to experimentation with wide ranging initiatives to draw on employer links to make High School experiences more relevant to the world of work and some of these initiatives have been subject to high quality evaluations.<sup>16</sup>

Perhaps the most striking review deserving attention is that of the US version of Career Academies – a study programme followed in 2,500 US high schools wherein young people aged 15 to 18 engage in vocationally-focused academic learning programmes enriched by significant employer engagement.<sup>17</sup> The programme's 2008 evaluation is unusually robust in three respects: it uses a large initial sample size (1,764 young people) divided, by random assignment, into two groups – those taking the programme and a control group with similar social and educational characteristics, and then tracks 80% of both cohorts for eight years after high school completion. The result: while both groups achieved at similarly at 18 and progressed in similar proportions to university, by age 26, the former Career Academies students were working more and earning better than their control-group contemporaries, enjoying an average wage premium of 11%.<sup>18</sup>

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15 OECD (2000), *From initial education to working life – making transitions work*, 91-107; OECD (2010), *Learning for Jobs*, 85

16 See, for example: Neumark, D. (2009), *Alternative Labor Market Policies to increase economic self-sufficiency: mandating higher wages, subsidizing employment, and increasing productivity*. National Bureau of Economic Research – Working Paper 14807; Neumark, D ed (2007), *Improving School-to-Work Transitions*. New York: Russell Sage Foundation.

17 Kemple, J. with Willner C (2008), *Career Academies Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood*. MDRC, 1 define the Career Academies programme, as follows: "Typically serving between 150 and 200 students from grades 9 or 10 through grade 12, Career Academies are defined by three distinguishing features: (1) they are organized as small learning communities to create a more supportive, personalized learning environment; (2) they combine academic and career and technical around a career theme to enrich teaching and learning; and (3) they establish partnerships with local employers to provide career awareness and work-based learning opportunities for students." The reviewers warn against overstating the vocational/technical aspects of the Career Academies programme of learning, seeing as "generally typical of those offered in the regular school environment" (pp. 9-10)

18 Kemple, J. with Willner C (2008), *Career Academies Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood*. MDRC, 12. A number of other US studies have found a similar correlation between school-mediated workplace exposure and positive labour market outcomes. See, MacAllum K. et al (2002). *Moving Forward – college and career transitions of LAMP graduates – findings from the LAMP longitudinal study*. Academy for Educational Development/National Institute for Work and Learning; Arum, R. and Way S. (2004) "The Significance of School-Business Institutional Ties: Effects of School Assisted Job Placement on Male and Female Early Labor Market Outcomes" in *After the Bell: Family Background and Educational Success*, Conley D. and Albright K, eds. (New York: Routledge); Neumark, D. & Rothstein, D. (2006)

The report authors argue:

The analyses... provide suggestive evidence that substantial increases in students' exposure to career awareness and development activities were associated with more substantial labor market impacts. Such career awareness and development activities included job shadowing, work-based learning activities, career fairs, guest speakers, and career-related guidance. In other words, cohorts of students in the study sample who experienced substantial increases in exposure to these types of activities were also more likely to have experienced strong, positive labor market impacts.<sup>19</sup>

The study provides a rare example of use of gold-standard social science research methodologies to track the labour market impact of school-age employer engagement and finds significant positive labour market outcomes, arguably the single most effective test of any programme designed to prepare young people better for working life.

While such US evaluations provide valuable insight into potential impacts on young people, they have been relatively rarely undertaken. Moreover, in having identified positive labour market impacts, evaluations have failed to distinguish the comparative importance of the different potential drivers of labour market success linked to learning programmes including significant employer engagement. Returning to the ILO threefold, supply-side reasoning for the disadvantages experienced by new entrants to the labour force (beyond attainment levels), the Career Academies review, for example, cannot explain whether success stemmed from more relevant skills acquisition (the extent to which experience of work-based learning activities built relevant human capital acquisition prior to labour market entry in the tradition of vocational education) or from providing participants with greater insights into effective job seeking, or indeed, access to relevant networks.

## **5 Employer engagement within non-vocational educational provision: the British experience**

Fortunately for researchers, the British experience offers a test-bed to both assess the validity of US results in another social environment and to allow a disaggregation of potential causal factors behind any positive labour market impacts stemming from school-mediated employer engagement. From 2004, ministries of education in England, Scotland and Wales all introduced new requirements on schools to provide young people, primarily at 14-16, with elements of work-related learning within their educational experiences overwhelmingly characterised by academic, rather than vocational, learning programmes. In each nation, the work-related learning requirement was introduced, in large measure, with the objective of increasing the ultimate competitiveness of young people as they left education and entered the workplace. In England, for example, the then Department for Children, Schools and Families saw a primary benefit of work-related learning at key stage four, also introduced by statutory requirement in 2004, as helping young people "to develop their 'employability skills' that make them attractive to their future employers."<sup>20</sup>

These policy initiatives prompted schools to place considerable focus on employer engagement through such activities as short work experience placements, careers advice from employers,

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"School-to-Career Programmes and Transitions to Employment and Higher Education" *Economics of Education Review*, 25, 374-93.

19 Kemple, J. with Willner C (2008), *Career Academies Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood*. MDRC, 40.

20 Department for Children, Schools and Families (2008), *The Work-related Learning Guide – First Edition. A guidance document for employers, schools, colleges, students and their parents and carers*, 6.

enterprise competitions and business mentoring, to support pupil learning and progression. Individual school experiences, however, varied considerably with some institutions providing a wide range of activities to pupils, while a minority engaged relatively fleetingly with the agenda. The variation in school behaviour observed helps analysts to mitigate the risks of individual agency in determining ultimate labour market outcomes. Typically, in highly engaged schools, whole year cohorts would go on ten day work experience placements, take part in one-day enterprise competitions or visit careers fairs, with a small minority of pupils opting to take part in longer duration enterprise projects, such as Young Enterprise , or being selected to take part in one-to-one business mentoring over a number of meetings.<sup>21</sup> Consequently, school practice has provided the most determined young person with very limited opportunity – within their schooling - to access higher levels of employer engagement than their peers. In research terms, such a delivery of employer engagement is very helpful as it serves, to a large extent, to mitigate the risk of any observable labour market outcomes being potentially driven by the personal characteristics of specific groups of young people. Where young people have undertaken a lot of employer engagement activities through their school lives, it is much more likely to be due to the character of the school they attended, than to be an insight into their own levels of determination, enthusiasm or maturity.

## **6 School-mediated employer engagement: British evidence of impact**

Unfortunately, research into the impact of employer engagement on the achievement and progression of young people in British has been, to say the least, limited. The most helpful examination of impact was commissioned by the then Department for Children, Schools and Families in 2008. Conducted by research agency, AIR UK, it reviewed US and UK literature for evidence of impact on attainment, but in doing so, highlighted too evidence of impacts on labour market progression. The study revealed the paucity of high quality evaluations. An initial trawl through academic databases identified 161 reports of likely relevance. Close examination showed, however, that just 15 (10 British) reports covering a range of very different initiatives held up to scrutiny as using robust social science methodologies. Of these, all showed measurable positive impacts for young people, with outcomes including better “preparedness for work”, development of job and work skills, improved work-based competencies, attitudes and behaviours, enhanced employability, and as demonstrated in the Career Academies study, higher initial wage returns. None showed that employer engagement reduced attainment – an important conclusion given the opportunity costs involved.<sup>22</sup>

Recent work undertaken by the Education and Employers Taskforce and YouGov has moved on the analysis by looking systematically, for the first time, for correlations between school-mediated employer engagement and the reported labour market outcomes of young adults. In doing so, it

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21 Data from a 2011 YouGov survey of young adults, for the Education and Employers Taskforce, cited later in this report, showed that 13% of young adults participated in a Young Enterprise type programme and 10% recalled involvement in one-to-one business mentoring. Young people may, of course, undertake similar activity, such as unpaid work experience, outside of the school year. This report is primarily interested in school-mediated experiences as it is in such activity that policy makers have the greatest opportunity to influence, and best observe, pupil outcomes, regardless of, or accounting for, familial social factors.

22 Eight reports, related to five specific programmes of employer engagement (two English, three American), demonstrated evidence of measurable improvements in grades, or other measures of student attainment. AIR UK (2008), *The involvement of Business in Education: A rapid evidence assessment of measurable impacts*. Department for Children, Schools and Families.



looks for the first time to see whether evidence exists to endorse the UK and OECD policy-makers view that greater levels of school-age employer engagement will ease pupil transitions into the labour market. A 2011 Taskforce/YouGov survey questioned 986 representative young Britons aged 19-24 about their current position in the labour market or continuing education, and experiences and perspective of employer engagement undertaken while in education. The survey provides new data on how useful young adults felt the employer engagement activities undertaken whilst in school or college (between the ages of 14 and 19) were in getting a job after education.

On average across the sample, for example, 30% of those who undertook a short work experience placement felt that it helped them find employment after leaving education, 10% saying it helped a lot.<sup>23</sup> While such data has never previously been available and shines a new light on the ultimate value ascribed to employer engagement, more importantly, the survey allows correlation between the current experiences of young adults within the labour market and their school-age experiences of workplace exposure. More specifically, the data can be used to interrogate three key questions:

Does the survey provide evidence of positive correlations between the extent of employer engagement experienced whilst in education and:

- perceptions of successful labour market progression
- status in the labour market (ie, whether in employment, education, training or not), and
- earnings (where salaried)

#### *Perceptions of successful labour market progression*

As noted above, school to work transitions have become of increasingly long duration. Survey analysis provides insights into whether any statistically significant relationships can be found between the extent of school-mediated employer engagement and confidence in successful progression into, and through, the early labour market. To establish an intensity range to gauge breadth of school-age workplace exposure, the survey asked a broad question about the number of times (from zero to four plus) an individual recalled taking part in activities which involved employers or local business people whilst in school or college (see table 3 below for full text). Importantly, there is no statistically significant correlation between the number of activities recalled and highest level of qualification. That means any correlations between numbers of activities undertaken and other positive outcomes cannot be seen as a mask for simple possession of higher qualifications. Table 3 shows a statistically significant correlation between exposure to employer engagement activities at school and confidence in labour market position: some 85% of young adults who undertook four or more activities (such as work experience, careers advice or enterprise events) were happy with the career progress they were making, compared to 66% of their peers who had no experience of employer engagement whilst in school.

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23 It is of interest to note that young adults with lower qualification levels are most likely to agree that the work experience undertaken at school helped them to find a job after education. Half of those qualified up at level 1 say it was helpful (42% saying a lot), 38% of level 2s (18% saying a lot) compared to 28% of level 3s (9% a lot). Results from the survey were first presented at the Second Education and Employers Research Conference, University of Warwick, October 2011: [www.educationandemployers.org/research.aspx](http://www.educationandemployers.org/research.aspx).

**Table 3:** Correlation between number of employer engagement activities undertaken whilst in education (aged 14-19) and perceptions as a young adult (aged 19-24) of usefulness of current activity to future career aspirations. Weighted data.<sup>24</sup>

Taskforce/YouGov survey Sample Size: 986 Fieldwork: February 2011 (Great Britain)		Some schools and colleges arrange for their students (aged between 14 and 19) to take part in activities which involve employers or local business people providing things like work experience, mentoring, enterprise competitions, careers advice, CV or interview practice. On how many different occasions do you remember such employer involvement in your education?				
		0	1	2	3	4 or more
Thinking about the sort of job you'd like to be doing in 5 to 10 years time, how useful do you think what you are doing now is as a way of achieving this?	Very Useful	35.7%	38.0%	40.7%	45.8%	54.4%
	Useful	31.6%	32.5%	37.2%	25.4%	30.9%
	Not that Useful	15.8%	13.3%	10.3%	11.9%	7.4%
	Not at all Useful	16.9%	16.2%	11.7%	16.9%	7.4%
Weighted Number		266	345	145	59	68

*Statistical note:* Kendall's Tau C produced a statistically significant P value of approximately .002 at the 10% level.

The findings in Table 3 shows a statistically significant relationship between the volume of teenage employer engagement experienced and positive perceptions of successful navigation through early adulthood towards career goals. While a useful insight, a better understanding of the potential impact of school-mediated workplace exposure on school-to-work transitions comes from correlating school-age activities with labour market status at 19-24 – testing specifically for links between the number of activities undertaken and the likelihood of an individual not being engaged, at the time of the poll, in Education, Employment or Training (NEET).<sup>25</sup>

<sup>24</sup> *Weighting.* YouGov conducted this survey on using an online interview administered to 280,000+ individuals, who are members of the YouGov Plc GB panel and who have agreed to take part in their surveys. An email was sent to panellists selected at random from the base sample according to the sample definition, inviting them to take part in the survey and providing a link to the survey. The sample definition comprised young Britons aged 19–24, whose economic status at the time of the survey was: At college or university; Employed full-time; Employed part-time; Taking part in an apprenticeship/work-based learning; Not in education, employment or training; or Other. In order to mitigate survey bias and to make the results more representative the data is weighted according to the economic status of the young people under investigation. The weighting variable was calculated by analyzing the percentage split on the question 'what is your current occupation?' and then compared to the actual percentage distribution (for this age group) in the economy. The survey data was then corrected by applying the weighting values so that the percentage distribution by economic status in the survey matched the real percentage distribution for this age group.

<sup>25</sup> The use of NEET in this paper should not be confused with the more common used of the phrase to describe those young people aged 16 to 18 who are not engaged in education, training or in employment. As is widely understood, this group of teenagers typically faces strong and multiple barriers contributing to the circumstances in which they find themselves. The 2011 Taskforce Research Paper, *The importance of the*

### NEET status and school-mediated employer engagement

As Table 4 shows, on the day of the survey, more than a quarter of those young people recalling no experience of employer engagement whilst in school or college were NEET as young adults compared to one in six who undertook two or three activities and one in twenty who experienced four or more engagements.<sup>26</sup> The 7% of respondents who undertook 4 or more activities were five times less likely to be NEET than those who recalled no such engagement while at school.

**Table 4:** Correlation between NEET status at 19-24 and number of employer engagement activities undertaken whilst in education (aged 19-24). Weighted data.

Taskforce/YouGov survey Sample Size: 986 Fieldwork: February 2011 (Great Britain)			Some schools and colleges arrange for their students (aged between 14 and 19) to take part in activities which involve employers or local business people providing things like work experience, mentoring, enterprise competitions, careers advice, CV or interview practice. On how many different occasions do you remember such employer involvement in your education?				
			0	1	2	3	4 or more
Which of the following BEST applies to you?	NEETs	%	26.1%	23.4%	16.6%	15.6%	4.3%
	Non-NEET	%	73.9%	76.6%	83.4%	84.4%	95.7%
Weighted Number			272	350	145	64	69

*Statistical note:* Kendall's Tau C produced a statistically significant P value of .001 at the 10% level

The analysis provides valuable new insight into real labour market effects of school-age employer engagement. Importantly, regression analysis shows that relationships are not being driven by other possible factors such as highest qualification levels, age at time of survey, region, school type attended, gender or ethnicity. With controls for such social characteristics in place, analysis gives a P value of 5%, which is to say that there can be a 95% certainty that the statistically significant relationship observed is not due to chance.

This means, moreover, that the 26.1% of young adults not in education, employment or training who recalled no activities can serve as a baseline against which groups experiencing one or more

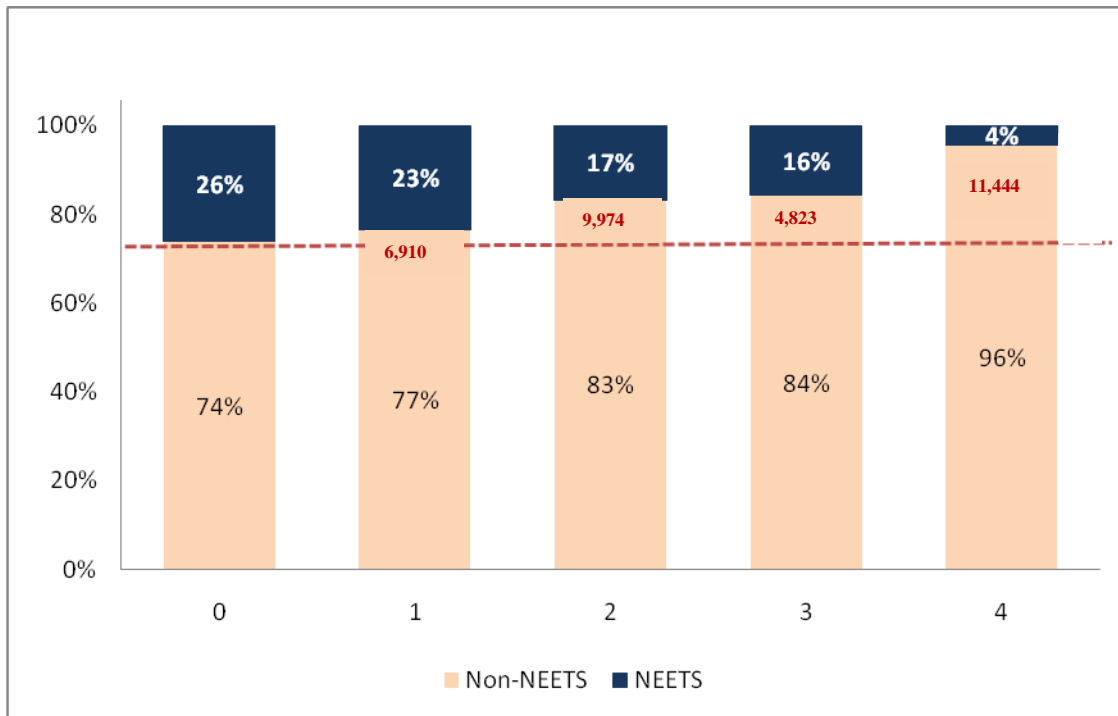
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*experience of the world of work in admissions to Russell Group universities: a desktop review of admissions criteria for six courses*, explores whether school-age workplace exposure is of any relevance to university admissions. Looking at admissions requirements for six courses of study at the 20 Russell Group universities, it shows work experience (or similar activity) being a desirable or essential requirement within the vast majority of courses in medicine, dentistry and veterinary medicine, and a significant minority (one-fifth to one-third) of courses in engineering, law and business/economics.

26 The results support the findings from other significant research projects which have shown that late teenage NEETs typically have access to far fewer sources of advice surrounding educational and career progression than their more successful peers; that they often have stereotypical, highly gendered, views of careers and jobs; and that indecision about career aspirations or misunderstanding of the actual qualifications required to progress successfully into a preferred occupation are associated with significantly higher risk of NEET status. See Rennison, J. et al (2005), *Young People not in Education, Employment or Training: Evidence from the Education Maintenance Allowance Pilots Database*. DCSF; Ofsted, (2010). *Reducing the numbers of young people not in education, employment or training: what works and why*. See also, Birdwell, J. et al (2011), *The Forgotten Half*. Demos/Private Equity Foundation.

activities can be compared. As the proportions of young adults recalling activities is known and the total age cohort of young people moving through the education system is consistent at around 650,000 every year, it becomes possible to estimate the number of young adults who but for school-mediated experience of employer engagement might expect to be NEET as young adults - see figure 1 (which uses the age cohort of young Britons turning 19 in 2009, 656,208 individuals, as a base).

**Figure 1:** Participation in school-mediated employer engagement activities and avoidance of NEET status at 19-24. 2009 cohort.



As the survey analysis takes into account other likely drivers of variation in labour market outcomes – most importantly, highest level of qualification – it becomes possible to offer a reasonable estimate of the number of young people who, but for the employer engagement activities experienced whilst at school might expect to be NEET, for some time at least, between the ages of 19 and 24. As illustrated in Figure 1, this figure amounts to some 33,152 individuals.<sup>27</sup>

#### *Salary levels and school-mediated employer engagement*

Further analysis has investigated the existence of wage premiums linked to experience of school-mediated employer engagement as might be expected from the 2008 analysis of the fortunes of alumni from the US Career Academies programme. Drawing on a sub-sample of 176 young adults,

<sup>27</sup> A very conservative analysis might seek to account for those young people who had some capacity to show agency in undertaking employer engagement activities whilst in school (as in opting in to take such long duration programmes as Young Enterprise) or were selected by their school as young people well placed to benefit from particularly the intense employer engagement of long duration, one-to-one business mentoring. The YouGov analysis suggests that some 13% of young adults recalled participation in a Young Enterprise style competition and 10% in one-to-one business mentoring. Assuming no duplication between the two groups and that participation, the experiences of up to 7,625 individuals suggest that agency or selection might be a factor in determining higher, more intense participation in school-mediated employer engagement activities.

aged 20 to 24, reporting salaries measured in £1,000 bands across a range of <£10,000 to >£30,000, the study found that, on average and controlling for highest level of qualification, each employer engagement activity undertaken correlated with a premium of 4% (or £750). The results are statistically significant at 5%, meaning again that there is 95% certainty that the correlation is not due to chance. The evidence of wage premiums is of particular interest as it suggests some relationship between school-age employer engagement and ultimate individual productivity, for which wages act as one indicator.

For the first time, researchers have looked for compelling evidence of school-mediated employer engagement serving to facilitate smoother transitions into the labour market whether directly, or after further university study. The young adults, in this sample, who experienced the greatest volume of employer engagement whilst in education, between the ages of 14 and 19 and controlled for the likelihood of other characteristics driving experiences, were more likely to be in employment or study, happier with their career progression, and, if salaried, earning more than their counterparts with lower levels of school-age work-related experience. While further studies are required to understand the full character of the relationship between such school activity and youth unemployment, the results presented provided compelling evidence that such school-mediated interventions do serve to ease school-to-work transitions for young people of all backgrounds.<sup>28</sup>

## **7 Explaining the link between school-mediated employer engagement and labour market success**

The study, moreover, offers insight into the potential causes of such positive outcomes. In comparison to vocational programmes, identified by OECD researchers as offering the most highly effective routes into the labour market, the workplace exposure the typical British teenager could expect from employer engagement is modest. Whereas, a German or Swiss young person, on a vocational programme, might expect to spend several months learning in the workplace alongside classroom study<sup>29</sup>, the British counterpart could typically expect two weeks work experience (with limited training involved) overwhelmingly at 14-16 and then a range of much shorter interventions such as careers' fairs, workplace visits or enterprise days. This suggests that British employer engagement in pupil experiences has had very limited capacity to build human capital relevant to the workplace through comparatively enhanced technical skills. Equally, the British experience casts doubt on whether such significant labour market outcomes, as reported above, can be explained by improved 'employability skills' emerging from workplace exposure – ie, those skills, such as effective communication and problem solving which allow a person to be personally effective in a job role.<sup>30</sup>

While the capacity of short work experience placements to develop such skills is widely attested, it seems unlikely that comparative advantage would endure once peers who either did not undertake work experience or whose experience was of very poor quality had opportunity to catch up once in the workplace. Rare Australian analysis, moreover, has highlighted the fact that young people report very comparable levels of employability skills deriving from short work experience placements and part-time teenage working (see table 5). Given that historically up to 75% of older British

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28 The author is grateful to Christian Percy, former Operations Director of the Taskforce for leading statistical analysis. All above statistical analysis is available from Taskforce by emailing: [James.Dawkins@educationandemployers.org](mailto:James.Dawkins@educationandemployers.org).

29 OECD (2010), *Learning for Jobs*, 62; Hoeckel, K. & Schwartz, R. (2010), *Learning for Jobs. OECD Reviews of Vocational Education and Training: Germany*; Hoeckel, K., Field, S. & Grubb, W. N (2009), *Learning for Jobs. OECD Reviews of Vocational Education and Training: Switzerland*.

30 UKCES (2009), *The Employability Challenge*

teenagers work in part-time paid employment whilst at school or college and that the great majority of young people taken part in work experience placements overwhelmingly of 10 days or fewer duration, the likelihood of enhanced employability skills driving labour market impacts seems still less likely.<sup>31</sup>

**Table 5:** Mean ratings for beliefs about the value of Work Experience and Part-Time Employment, Year 10 Students, Australia, 1996.

Item	Work Experience	Part-Time Job	N = 1624
What work is really like?	3.48	3.44	
Getting along with other people?	3.47	3.54	
Following instructions?	3.56	3.64	
Thinking for yourself?	3.38	3.50	
Being confident?	3.49	3.55	
Particular skills needed in that job?	3.55	3.50	
Work conditions?	3.51	3.45	
The career you would like after school?	3.10	2.31	

These items are rated on a four-point scale where 4 = quite a bit. 3 = a fair bit. 2 = not much. 1 = nothing, so the higher the mean, the more positive the assessment of the experience

The research, however, does highlight one outcome area where work experience has a significantly more positive impact than work experience – career decision-making – and it is in this aspect of school-to-work transitions that the most persuasive evidence of causation is to be found.<sup>32</sup>

### 8 Access to trusted information and career decision-making

As might be expected from the Australian analysis reported above, one of the most consistent findings from surveys of young Britons about the benefits they gained from work experience placement is that it helped them in their thinking about career aspirations and progression towards achieving them. As table 6 sets out, a number of British studies have shown that two-thirds of more of surveyed young people felt their experience improved decision-making about the future.

31 On British teenage participation in part-time work whilst in education, see Dustmann C, Rajah N & Smith S (1997) "Teenage truancy, part-time working and wages" *Journal of Population Economics* 10, 425-442; Dustmann C & van Soest A (2007) "Part-time work, school success and school leaving" *Empirical Economics* 32, 277-299; Hobbs S & McKechnie J (1998) "Children and work in the UK: the evidence" in *Children and Work in the UK: Reassessing the Issues* ed. Pettitt B. Child Poverty Action Group. Hodgson A & Spours K (2001) "Part-time work and full-time education in the UK: the emergence of a curriculum and policy issue" *Journal of Education and Work* 14 (3). pp. 378-388; Howieson C, McKechnie J & Semple S (2010) "'They're already IN the labour market!' Working pupils: challenges and potential for schools and employers." Paper presented at the Education and Employers Taskforce research conference, University of Warwick. McVicar, D & McKee, B (2002) "Part-time work during Post-compulsory education and examination performance: help or hindrance?" *Scottish Journal of Political Economy* 49:4, 393-406. Clearly, a significant proportion of British teenagers do not take part in paid part-time employment while in education or do so in informal environments which offer limited capacity to experience adult workplaces, and in such cases, the impact of work experience in developing employability skills would be expected to be more meaningful than where the teenager worked in an environment, such as retail or hospitality where the majority of employed teenagers do work, where opportunity to experience the adult workplace is greatest.

32 Fullarton, S. (1999). *Work Experience and Work Placements in Secondary School Education*, Longitudinal Surveys of Australian Youth (LSAY) Research Report 10, <[http://research.acer.edu.au/l say\\_research/70](http://research.acer.edu.au/l say_research/70)>, Accessed on 20 January, 2010

**Table 6:** Perceptions of young people over the value of Work Experience placements in influencing progression options, three English studies, 2005-08<sup>33</sup>

Survey team (year of survey): statement	Number (sample)	% agreeing strongly/finding very helpful	% total agreeing/finding helpful
IEBE (2008): "I am clearer about what I want to do in my future education and career (post-16)". Unweighted data.	15,025 (Age 15-16)	37%	75%
London Metropolitan University (2005): "encouraged/discouraged you from choosing work like this". Unweighted data.	566 (15-16)	N/A	60%
Loughborough University (2005): "work experience was helpful in making post Year 11 decision". Unweighted data.	18,989 (16-18)	34%	65%

Such an impact is important because other studies have highlighted the high penalties linked to indecision or confusion surrounding career aspirations as the compulsory period of British schooling is completed.<sup>34</sup> Drawing on longitudinal data from the British Cohort Study, a team led by Scott Yates (DeMontford University) were able to identify whether young people at age 16 were confident or uncertain about career aspirations and where career aspirations were stated, whether the educational expectations of individual respondents were aligned with actual entry requirements. The study found that young people with uncertain or unrealistic career aspirations at 16 were two to three times more likely to become NEET for six months or more at 16-18 than better informed, more realistic peers. Yates and colleagues observe that 'fractured transitions' have, over the last generation, become increasingly prevalent with young people from the most disadvantaged socio-economic groups facing greatest difficulty in articulating realistic aspirations at 16. Even controlling for other determining factors (such as highest level of attainment), these young people faced the

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33 NEBPN National Support Group for Work Experience (2008), *Students' Perceptions of Work Experience*. DCSF; Francis, B. et al (2005), *Gender equality in work experience placements for young people*. Equal Opportunities Commission; Rennison, J. et al (2005), *Young people not in Education, Employment or Training: Evidence from the Educational Maintenance Allowance Pilots Database*. Department for Education and Skills. Smith, P. J., Dalton, J. & Dolheguy (2004) "Student experiences of work placement in school-based vocational programs" *Education + Training* 46:5, 262-68 uses a sample of 446 Australian secondary pupils on vocational pathways to compare experiences and perceptions of students who had undertaken a short work experience placement and those who had not. The authors find "work placement has been shown to have significant advantages in assisting young people towards a post-school decision, and the opportunity to develop insights into at least one specific form of employment. There outcomes of work placement provide students with increased agency over the decisions they make on eventual employment and on the processes they use to achieve those." (p.268). See also, Smith, E. & Green, A (2005), *How workplace experiences while at school affect career pathways*. National Centre for Vocational Education Research.

34 Research commissioned by the Department for Education, for example, has shown that "aspiration and future plans have a clear affect of levels of educational engagement. Clarity of future plans, the perceived relevance of key stage four attainment and the extent to which young people felt their plans were achievable all impacts on levels of engagement." National Centre for Social Research (2009), *Pupils with declining attainment at key stages 3 and 4: Profiles, Experiences and Impacts of Underachievement and Disengagement*. DCSF, 30. See also: Schoon, I (2005), *Teenage Aspirations for education and work and long-term outcomes. Evidence from two British Cohort Studies*. Centre for Economic Performance, London School of Economics

greatest obstacles in avoiding the churn of spells of unproductive employment or training and unemployment as they move hesitantly towards building career progression.<sup>35</sup>

From an American perspective, analysis of longitudinal databases has shown that young men and women who were uncertain about their occupational ambitions at 16 faced similar challenges and earned significantly lower wages at age 26 than their peers. As the authors conclude

This study addressed a simple question. *Do uncertain career aspirations at age 16 affect wage attainments 10 years later?* The answer is yes. Using nationally representative data from a cohort of young women and men, we find that approximately 10 percent of youth do not know what job they want to hold in young adulthood. Girls and boys who report uncertain occupational aspirations at age 16 have significantly lower wages 10 years later than youth with professional aspirations. These associations are reduced when controls for academic ability, school effort, SES [socio-economic status] and race/ethnicity, and measures of educational attainment and family formation in young adulthood are taken into account, but the effects of uncertain aspirations remain strong and statistically significant.<sup>36</sup>

These findings suggest that greater levels of employer engagement can serve to improve the decision-making of young people as they plan their way through the education system and into work. The finding is especially important to the British educational environment because there is strong evidence of uncertainty or unrealism in the job aspirations of young people. The study led by Yates found that 7% of his sample were uncertain and fully 40% unrealistic about their career plans.<sup>37</sup> Looked at from another perspective, whether young people are realistic about the extent of competition they will face for preferred jobs even if aspirations are clear and projected qualifications reasonable, a 2009 British study for the then Department for Children, Schools and Families by a University of Westminster team (see table 7) found a stark misalignment between the aspirations of young people, aged 12-13, and the reality of labour market demand.<sup>38</sup>

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35 The use of longitudinal data allows a very wide range of controls to be put in place to ensure the validity of results. As well as attainment levels, controls included indicators of deprivation at birth, behaviour in school, parental attitudes to schooling and home environment. Yates, S et al (2010) "Early Occupational Aspirations and Fractured Transitions: A Study of Entry into 'NEET' Status in the UK" *Journal of Social Policy* 1-22. For a more qualitative US study which produces comparable results, see Schneider, B. (2009) "Challenges of Transitioning into Adulthood" in Schoon, I. and Silberstein, R. K. eds, *Transitions from School to Work – Globalisation, Individualization, and Patterns of Diversity*. Cambridge University Press, 265-91.

36 Staff J et al (2010) "Uncertainty in Early Occupational Aspirations: Role Exploration or Aimlessness?" *Social Forces* 89(2) 659–684.

37 Yates, S et al (2010) "Early Occupational Aspirations and Fractured Transitions: A Study of Entry into 'NEET' Status in the UK" *Journal of Social Policy*, 10

38 Atherton, G., Cymbir, E., Roberts, K., Page, L. & Remedios, R. (2009), *How young people formulate their views about the future – exploratory research*. DCSF, 18. The survey sampled 670 pupils.



Table 7: Occupational preferences of Year 7 pupils mapped against UK labour force by sector, 2009

Industry	Total number employed in that industry	% employed in that industry	% of Y7 choosing these careers (n=483)
Agriculture & Fishing	250,943	0.9	0.21
Energy & Water	171,718	0.6	0.21
Manufacturing	2,875,201	10.6	0
Construction	1,280,044	4.7	5.18
Distribution, Hotels and Restaurants	6,477,187	23.8	2.28
Transport and Communication	1,580,448	5.8	6.42
Banking, Finance and Insurance	5,760,210	21.2	3.11
Public Administration, Education and Health	7,329,546	27	36.23
Others	1,455,977	5.4	46.38

As the table sets out, nearly one half of respondents aspired to occupations actually undertaken by one in twenty of the working population.

In this way, in helping young people to develop reasonable, achievable career aspirations, employer engagement can be seen as increasing the social capital resource possessed by young people. Theorised by US sociologist Mark Granovetter in the 1970s, this aspect of social capital can best be understood as the ‘power of weak ties’: that where a person has access to a wide network of individuals from a range of different backgrounds, the capacity of that individual to gain access to non-redundant trusted information increases. Granovetter based his theory on evidence of how adult workers secured employment.<sup>39</sup> This paper suggests that networks experienced in teenage years very often serve to fulfil a similar function.

One snapshot of the link between employer engagement and improved decision-making around career aspirations is found in a 2009 survey of 333 young people aged between 11 and 18 (71% between the ages of 13 and 16) conducted by B-live on behalf of Deloitte and the Education and Employers Taskforce.<sup>40</sup>

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39 Granovetter, M (1974), *Getting A Job: A Study of Contacts and Careers*. Cambridge, Mass: Harvard University; Granovetter, M. (1983). "The Strength of Weak Ties: A Network Theory Revisited". *Sociological Theory* 1: 201–233

40 Statistical analysis confirmed that the results are not driven by the age of respondent. Deloitte (2010), *Helping young people succeed: how employers can support careers education*. Education and Employers Taskforce, 55

**Table 8:** Deloitte/B-live survey of 333 young people aged 11-18 (71% aged 13-16) from 120 different English schools. 2010. Unweighted data.<sup>41</sup>

Statement	% strongly agreeing with the statement, with respondents grouped by the number of different employers respondent has received careers advice or information from			Improvement in numbers strongly agreeing with statement
	None	1 to 4	>4	
I feel confident to make a decision on my career, with the information I have	26%	23%	37%	+11%
I feel I know what I need to do to get the sort of jobs I want to do	21%	25%	36%	+15%
I have a good idea of the knowledge and skills I need for the jobs I want to do	23%	26%	44%	+21%
I am confident that I am developing the right knowledge and skills to get the sort of jobs I want to do	23%	23%	41%	+18%
I am confident that I will be able to find a good job	18%	29%	45%	+27%
I feel excited about the jobs that I could do when I leave education	34%	36%	46%	+12%

A key US study, again drawing on longitudinal databases, serves to provide validating evidence of the link between such school-age access to adult perspectives and labour market outcomes. In two important academic articles, McDonald and Erickson considered the relationship between ‘informal mentoring’ in teenage years (self-reported access to non-parental adults of influence including employers, but also teachers, relatives, youth workers and religious leaders) and outcomes in terms of educational achievement and labour market progression. Controlling for a wide range of factors, including attainment, the team found a statistically significant relationship between the extent to which young adults had access to such non-parental mentors and their odds of being in employment between the ages of 23 and 28. For young men, the likelihood was 40% greater. “Weak ties”, the authors argue, “are valuable because they can increase the likelihood of receiving non-redundant information that expands knowledge of labor market opportunities. In this way, weak ties to mentors play a particularly important role in the transition from school to work.”<sup>42</sup>

The results of longitudinal studies reported above provides compelling evidence of the value of employer engagement in providing young people with access to a wider range of trustworthy information concerning careers, so enabling better decision-making and progression. As a 2006 review by the National Foundation for Educational Research of 314 research publications considering young people’s perceptions of education demonstrated that young people are especially attentive to, and place high value on, real-life connections within learning and access to professionals from the workplace.<sup>43</sup> Research by the Royal Society explains further:

41 Deloitte (2010), *Helping Young People Succeed: How employers can support careers education*. Education and Employers Taskforce.

42 McDonald S et al (2007), “Informal Mentoring and Young Adult Employment” *Social Science Research* 39, 1341. See also: Erickson L. et al (2009) “Informal Mentors and Education: Complementary or Compensatory Resources?” *Sociology of Education*, 82, 344-67

43 Lord, P. & Jones, M. (2006), *Pupils’ experiences and perspectives of the national curriculum and assessment – final report of the research review*. National Foundation for Educational Research, 3-4

Role models are seen (by pupils) as intrinsically interesting just because they are not teachers and therefore not associated with discipline and school: they are not “strict” like teachers. Their relationship with the ideas they are conveying and the reasons for their presence in the school are seen by the children as different to those of teachers. Their work in the “real world” and their obvious enthusiasm for their subject and ability to bring SET [Science, Engineering and Technology] to life, combined with the absence of an explicit teacher/student relationship all help to engage the young people directly with the ideas. Teachers point out that there are rarely any behavioural problems amongst pupils taking part in role model schemes.<sup>44</sup>

Evidence from UK focus groups suggests, further, that positive impacts are particularly felt by those young people most disengaged from the mainstream of learning. A Special School teacher at a 2011 focus group, managed by the Education and Employers Taskforce, argued:

90-95% of my students would not have got a qualification without employer engagement. They come to us after being kicked out of 5 different schools. We’re the last stop before the PRU. We do extended placements linked to qualifications. They won’t get 5 GCSEs, but this is the difference between them achieving nothing and beginning to achieve. They’ve spent all their lives fighting with teachers. The thing about the employers is that they are not teachers and the workplace isn’t school. They don’t have to put up a front in front of their mates. Employers can be tough with them. They can say ‘you’re sacked’. They fail time after time in class. This gives them the chance to achieve. To feel good about themselves.

Consequently, returning to the YouGov sample of young Britons, it could be expected that more is more: that the greater the engagement with adult professionals from the workplace, the greater likelihood that individual pupils will gain access to useful, relevant, trusted information concerning career aspirations and pathways beyond those found within existing networks and information sources, notably families or the media.<sup>45</sup> The survey suggests that this is very much the case. Table 9 highlights a significant difference in the perceived value of careers advice received from employers. Whereas half of young adults who received such advice while in school on one or two occasions said it was of value to them in deciding on a career, nearly nine in ten ascribed such value when received on three or more occasions, with over one in four saying that the advice helped a lot in deciding on a career.

**Table 9:** Frequency of employer careers advice and its perceived utility by young adults

	deciding on a career	N	getting a job after education	N	getting into HE	N
1-2 times	56% (9%)	329	38% (7%)	315	36% (8%)	311
3+times	88% (28%)	114	70% (24%)	106	58% (21%)	113
P-Value	0.000		0.000		0.000	

*Statistical note:* Kendall’s Tau-C produced significant P-Values at the 10% level indicating the existence of a relationship between these variables (weighted data).

44 Royal Society (2010), *Taking a Leading Role*, 5

45 For a discussion of the literature surrounding employer engagement, access to sources of advice and avoidance of teenage NEET outcomes, see Mann, A. With Lopez, D. & Stanley, J (2010), *What is to be gained through partnership? Exploring the value of education-employer relationships*. Education and Employers Taskforce.

## 9 Employer engagement, labour market progression and equity

A common theme in such studies of labour market outcomes linked to school-age activity is that students at greatest social disadvantage are seen as having most to gain out of access to the sort of informal advice and support that employers can provide. Detailed studies have shown, after all, that young people from lower socio-economic backgrounds typically have lower career aspirations than their more privileged peers who attain at the same levels and struggle in part to progress successfully after leaving education because of weak access to sources of useful information about jobs and careers.<sup>46</sup> It would be reasonable to expect, then, that those young people whose home circumstances present most limited access to advice about occupations – such as the two million young British children who live in workless households – have most to gain from access new trustworthy information. In a series of British studies, UK sociologist Carlo Raffo and colleagues have illustrated how school-age work experience can change the self-conceptions and aspirations of disadvantaged pupils.

What we have evidenced is that, based on the process of developing social capital through trustworthy reciprocal social relations within individualized networks, young people are provided with an opportunity to gain information, observe, ape and then confirm decisions and actions with significant others and peers. Thus, everyday implicit, informal and individual practical knowledge and understanding is created through interaction, dialogue, action and reflection on action within individualized and situated social contexts. ...there is also evidence ... of individual young people having their social relations enriched by outside, yet authentic and culturally appropriate, significant others. In these situations, individual strategic decisions about life choices are being affected by external agencies and actors – external in that they are potentially beyond the structuring influence of locality and class. This results in these individualized systems of social capital for individuals becoming more open and fluid, with outside, symbolically rich, resources impacting more freely on their lives.<sup>47</sup>

US quantitative studies, however, suggest that interaction between employer engagement and questions of social mobility are complex. A number of important studies have shown that school-age employer engagement does benefit the most disadvantaged most. The quartile of US Career Academies veterans with characteristics most suggesting that they would drop out of education prior to age 18 secured the greatest ultimate labour market benefits – a wage premium of 17% against the comparable control group.<sup>48</sup> Using longitudinal datasets, David Neumark has found evidence of significant employment benefits accruing to teenagers who took part in School-to-Work transition programmes (such as job shadowing, mentoring and internships) with impacts often most

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46 Croll, P. (2008) "Occupational choice, socio-economic status and educational attainment: a study of the occupational choices and destinations of young people in the British Household Panel Survey" *Research Papers in Education*, 23: 243–26; from a US perspective, see Blustein, D. L. Et al, (2002) "Voices of the Forgotten Half: the role of Social Class in the School-to-Work Transition" *Journal of Counselling Psychology* 49:3, 311-323.

47 Raffo C & Reeves M (2000) "Youth transitions and Social Exclusion: Developments in Social Capital Theory" *Journal of Youth Studies* 3:2, 151, 153. See also: Raffo C (2003) "Disaffected Young People and the Work-related learning Curriculum at Key Stage 4: Issues of social capital development and learning as a form of cultural practice" *Journal of Education and Work* 16:1, 69-86; Raffo C (2006) "Disadvantaged young people accessing the new urban economies of the post-industrial city" *Journal of Education Policy* 21:1, 75-94

48 Kemple, J. with Willner C (2008), *Career Academies Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood*. MDRC, 25

strongly experienced by young people whose teenage characteristics would not suggest likely progression to higher education.<sup>49</sup> McDonald and Erickson, however, in their work on ‘informal mentoring’ have observed a different phenomenon, arguing that while access to informal mentors can either compensate for inherent social disadvantage, it more often serves to complement advantage. This because that young people from more privileged backgrounds have greater access to such social connections and appear to be more adept at exploiting them.<sup>50</sup>

## 10 Employer engagement and social mobility: new British evidence

The new British data presented in this report identifies relationships between employer engagement activities undertaken whilst in school and labour market outcomes, but they do not shed light on whether such school-mediated engagement has served to complement existing advantage (so working against increased social mobility) or compensate for inherent familial disadvantage (and so support increased social mobility). Findings reported show that the results found are not driven by highest levels of attainment or school type attended. The survey size, however, provides data that suggests that it may well be that young people attending independent schools secure greater value from participation in employer engagement activities than their peers who attended non-selective state schools. Table 10, below, highlights frequent statistically significant variation in perceptions of value reported by former pupils of the two school types, and consistently it is the young adults who had attended independent schools who report that their experiences were of greatest use to them in deciding on a career, finding a first job after education and getting into higher education.

**Table 10:** Statistical variation in perception of usefulness of four employer engagement activities correlated against school type attended. X = where statistically significant variation found (at 5% level)

Usefulness of...			P-Value
<b>Work Experience</b>	Deciding on a job	X	0.000
	Getting a job	X	0.036
	Getting into HE	x	0.032
<b>-----</b>			
<b>Careers IAG</b>	Deciding on a job		-
	Getting a job		-
	Getting into HE	X	0.003
<b>-----</b>			
<b>Business Mentoring</b>	Deciding on a job	X	0.003
	Getting a job		-
	Getting into HE	x	0.006
<b>-----</b>			
<b>Enterprise Activity</b>	Deciding on a job		-
	Getting a job		-
	Getting into HE		-
<b>-----</b>			

49 Neumark, D. & Rothstein, D. (2005), *Do School-to-Work Programs help the Forgotten Half?* Institute for the Study of Labor

50 Erickson L. et al (2009) “Informal Mentors and Education: Complementary or Compensatory Resources?” *Sociology of Education*, 82, 344-67

Considering the specific question of careers advice, as set out in Table 11 the former pupils of independent schools attest to finding greater value in the related employer engagement they experienced whilst in schools in contrast to less socially privileged state school pupils.

**Table 11:** Perceptions of the usefulness of careers advice from employers in deciding on a career segmented by school type attended. Taskforce/YouGov. 2011.

Taskforce/YouGov survey Sample Size: 986 Fieldwork: February 2011 (Great Britain)		What type of school did you mainly attend between 14 and 19?		
		A non-selective state comprehensive or academy with a sixth form	Grammar/state selective school with a sixth form	An independent school with a sixth form
To what extent did careers advice from employers (e.g. careers fairs, careers talks, CV/interview workshops) help you to decide the sort of job or career you wanted later in life? (2)	A lot	9.5%	12.1%	27.7%
	A little	48.7%	50.0%	53.2%
	Not at all	41.8%	37.9%	19.1%
Total		100%	100%	100%
Weighted Base (337)		232	58	47

Statistical Note: Pearson Chi-Square produces a P-Value of 0.003 at the 10% level.

In part, this variation in perceptions is likely to stem from the greater level of exposure experienced in independent schools – one in five former pupils reported three or more engagements compared to one in ten former pupils of non-selective state schools – but in part too from the closer alignment between the career aspirations of independent school pupils (predominantly related to the professions) and ease of access to adult sources of advice.

Ongoing and soon to be published research by the Education and Employers Taskforce and Professor Prue Huddleston (University of Warwick) has highlighted the extent to which high performing independent schools work actively to help pupils to access careers advice and guidance from professionals working in fields of interest. A desk review of the 20 highest performing schools, including Eton, Winchester, St Pauls and Haberdashers' Askes shows that at least 17 directly engage with employers to provide pupils with first-hand perspectives on professional careers individually or at careers' fairs. Moreover, focused careers advice is often supplemented by regular talks from prominent speakers, commonly drawn from the professions, often reflecting on their working lives. Such independent schools are adept at drawing on parental and alumni networks (organisational social capital) to provide pupils with relevant career insights. As the website of the Winchester alumni society asks:

Perhaps you are a barrister and can help a current Wykehamist discover something about chamber life? Maybe you work in the media or arts industry and wouldn't mind advising on how to get into the business? Alternatively, do you work in the City or practice as an architect and would be prepared to be shadowed by a student?<sup>51</sup>

By contrast, many British state schools struggled to secure for their pupils such direct advice from employers. In contrast to the US, available evidence suggests that the cumulative product of school age workplace exposure may well be serving to enhance existing social immobility, rather than serve

51 Website of Winchester College Alumni: <https://wyksoc.com/sslpage.aspx>. Accessed 06 June 2011. For early findings from an ongoing research project, see Mann A et al (2010), *What is to be gained through partnership?*, 44-45, 80-81

to close the gap. Certainly, two important British analyses have highlighted the negative social consequences which stem from allowing pupils to find their own work experience. Drawing on existing largely family-derived social networks and attitudes, placement experiences often serve to reinforce social reproduction, as children from working-class backgrounds are commonly limited by their existing social networks in accessing placements linked to socially familiar occupational areas. In contrast, pupils attending independent schools are well placed to secure placements relevant to higher career aspirations, typically in the professions.<sup>52</sup> In law, for example, academic research shows that one-third of law firms only offer work experience through informal means, limiting access to those whose existing social networks lack contacts.<sup>53</sup>

It is evidence of such unequal access to first hand exposure to employee perspectives which underpins two initiatives developed by the Education and Employers Taskforce and its partners - *Inspiring the Future* and *Speakers for Schools*.

Resources for state schools, launching 2011.

***Inspiring the Future*** aims to get 100,000 people from all sectors and professions go into schools and colleges to talk about their jobs, careers and the education route they took. The idea is to give young people a practical insight into jobs and careers: [www.inspiringthefuture.org](http://www.inspiringthefuture.org)

***Speakers for Schools*** which aims to bring inspirational speakers, leaders in their field, in to state schools – especially the most disadvantaged - to give talks for free: [www.speakers4schools.org](http://www.speakers4schools.org)

## 11 Employer engagement in education and growth

The above analysis begins with questioning why is it in tight labour markets that young people so often lose out to older workers. In so doing, there is an underpinning assumption that the total volume of employment opportunities are fixed within the labour market. Recent research suggests, however, that employer engagement with schools can serve to enhance the total number of jobs in an economy. For the first time, analysis by accountants BakerTilly and the Education and Employers Taskforce, in 2010, considered the relative ultimate individual productivity of former pupils who had completed a Young Apprenticeship in the creative and cultural skills sector, compared to a similarly qualified young person, lacking such intense workplace exposure. The unique study drew on survey and focus group data and found productivity uplifts of 6-8% over the first two years of employment with residual uplifts expected over a following eight years.<sup>54</sup> This is a result which would help explain evidence of wage premiums discussed above, and provides insight into a research area demanding greater attention within discussions of interventions to unpin future growth.

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52 Hatcher, R. & Le Gallais, T (2008), *The work experience placements of secondary school pupils: widening horizons or reproducing social inequality*. Birmingham City University. Osgood, J., Francis, B. & Archer, L (2006) "Gendered identities and work placement: why boys don't care?" *Journal of Education Policy* 21:3, 305-21

53 Francis, A. & Sommerlad, H. (2009) "Access to legal work experience and its role in the (re)production of legal professional identity" *International Journal of the Legal Profession* 16:1, 71

54 Clifford, J., Mann, A., Mason, S. & Theobald, C (2011) *Assessing the return on investment, evaluation and impact of Young Apprenticeships Scheme*. London. Creative & Cultural Skills and Baker Tilly

## 12 Conclusions

Young people are at inherent disadvantage in labour markets. However, there is reason to believe the challenges facing young people are increasing and becoming particularly severe as changes in the world of work makes school-to-work transitions more fractured and unpredictable. As reported in 2010:

In nearly all OECD countries, education systems are growing and diversifying, with more courses for different target groups. At the same time, jobs and careers are constantly evolving and job security is diminishing. While these changes are expanding opportunities, they also increase the complexity and difficulty of choices that young people need to make.

While lack of relevant experience, job-seeking insight and networks tend to work against young adults, compared to older workers, such negative factors are not universally experienced within or between comparable nation states. OECD countries vary considerably in the extent to which young people disproportionately suffer in the competition for scarce jobs. In those countries with strongest vocational pathways into employment the youth penalty in the job market is lowest. Within such vocational provision, however, extensive employer engagement within educational experiences is also commonplace.

American and British evidence suggests strongly that, in the absence of strong vocational educational routes, employer engagement can, in itself, facilitate smoother transitions from the classroom to the workplace. New data presented in this report shows statistically significant positive correlations between the self-reported progression, earnings and participation in productive employment or study experienced by young adults and the extent of employer engagement experienced whilst in school. The British experience suggests that it is unlikely that the human capital of young people (in terms of the development of technical or employability skills) is developed to an extent during school-age workplace experiences which would explain such significant, sustained labour market outcomes. Rather, the evidence suggests that young people experiencing the highest volumes of employer engagement are gaining access to broader networks of individuals providing insights and other resources of value to ultimate labour market outcomes. In this light, employer engagement allows for better decision-making over career aspirations and pathways towards them, logically increasing motivation in demonstrating the relevance of education to employment and providing access to employers able to provide working opportunities (part-time employment or unpaid work experience) of direct relevance to occupational goals.

In essence, employer engagement activities managed by schools can be seen as a resource which allows young people to better navigate transitions from school to work. Within this, it is a firm, if unaddressed, assumption of this paper that employer engagement is optimally delivered in the context of professional careers advice. In an era where such transitions are seen as increasingly complex and extended, and where the penalty for poor decision-making (notably in terms of English university fees) is unprecedented, the importance of providing all young people with comparable access to effective preparations for successful working lives is clear. To address unequal access to occupational insights is to address inequities in family backgrounds and rebalancing the odds of success in the hunt for jobs. The findings presented in this paper are especially relevant to liberal labour markets, such as the UK and the US, where school-to-work transitions are overwhelmingly uncoordinated in the way seen in the 'apprenticeship countries' like Germany or Switzerland. The Anglo-Saxon labour markets operate effectively as market places where young people come to sell their skills for the highest price and buyers seek the best recruits, the both rational actors seeking to secure the best deal for themselves. Such a vision of the labour market, however, depends on reliable information being available to both parties, but especially to the young as they make highly



consequential decisions about the knowledge, skills and experience they plan to develop prior to entry to the world of work. This report suggests that lack of understanding about the reality of jobs and careers contributes to a market failure in the school-to-work transition which can be significantly addressed through employer engagement in education. While *by no means* the full answer to the challenge of youth unemployment, the analysis presented in this paper suggests strongly that employer engagement is a weapon in the policy-makers armoury which should not be disregarded.

### **For further information**

For further information contact the Education and Employers Taskforce on 0203 206 0512 and visit website: <http://www.educationandemployers.org/> and for the Research section of the Taskforce's website visit: <http://www.educationandemployers.org/research.aspx>