

# Opportunities for young people: Challenges and Solutions

Employer Engagement in Education and Training  
22<sup>nd</sup> July 2016

Lesley Giles, Deputy Director  
UK Commission for Employment and Skills

# Commissioners

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## SMALL / MEDIUM ENTERPRISES

## DEVOLVED ADMINISTRATIONS

## TRADE UNION

## LARGE EMPLOYERS



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Global Financial Services,  
KPMG Europe LLP



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Director of HR,  
Siemens UK  
& North West Europe



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Resources,  
Crossrail Ltd



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TUC



**Dave Prentis**  
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Training & Development  
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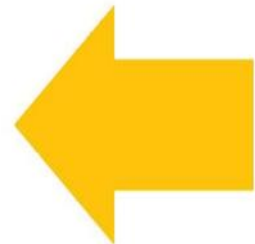


**Nigel Whitehead CBE**  
Group Managing  
Director, Programmes &  
Support, BAE Systems

**Chairman**

# Building a demand led system

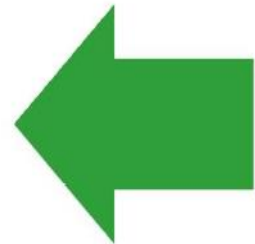
## Strengthening ladders of opportunity



**MOVING UP**



**GETTING ON**

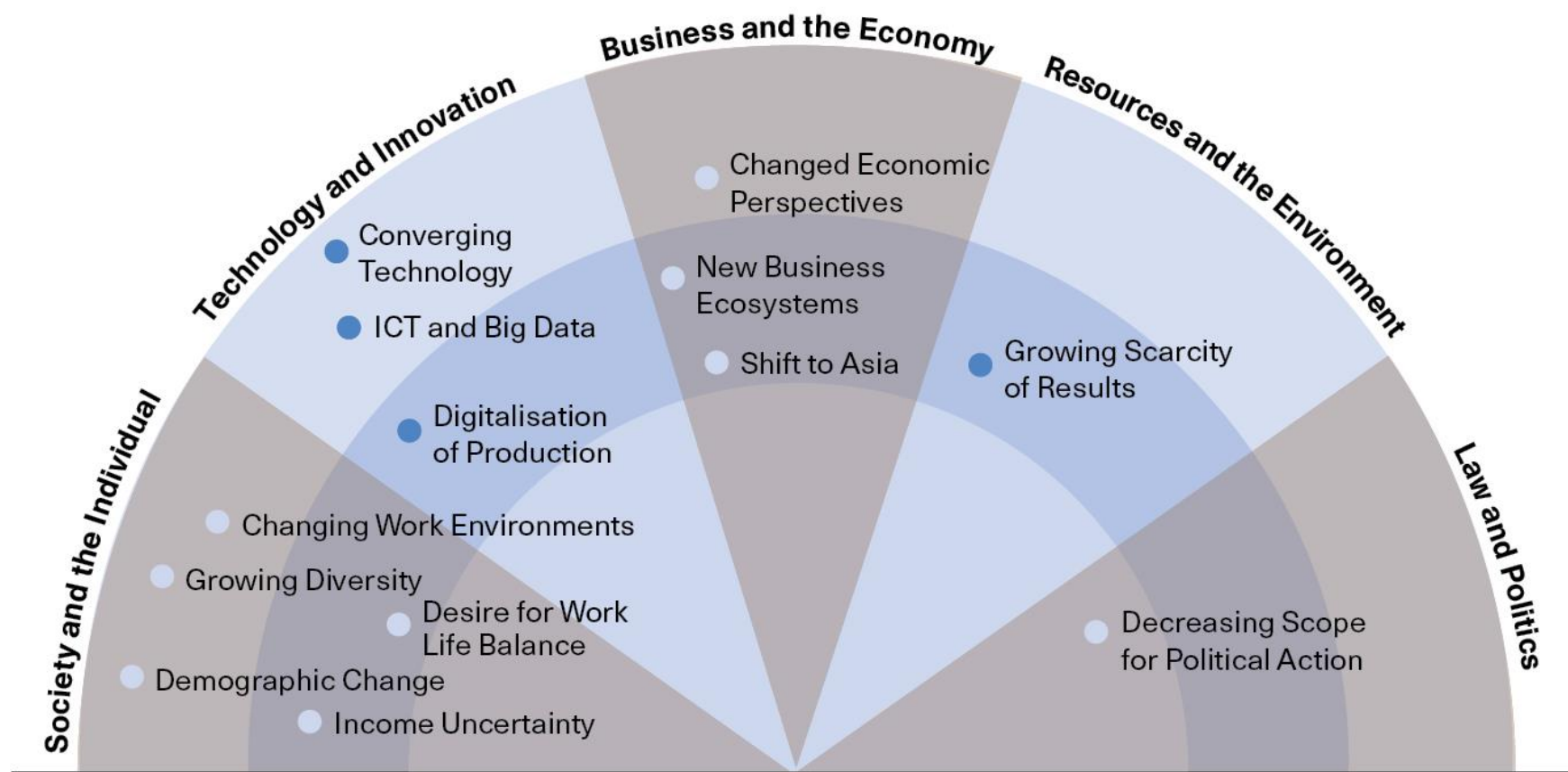


**GETTING IN**

# Trends shaping future UK jobs and skills

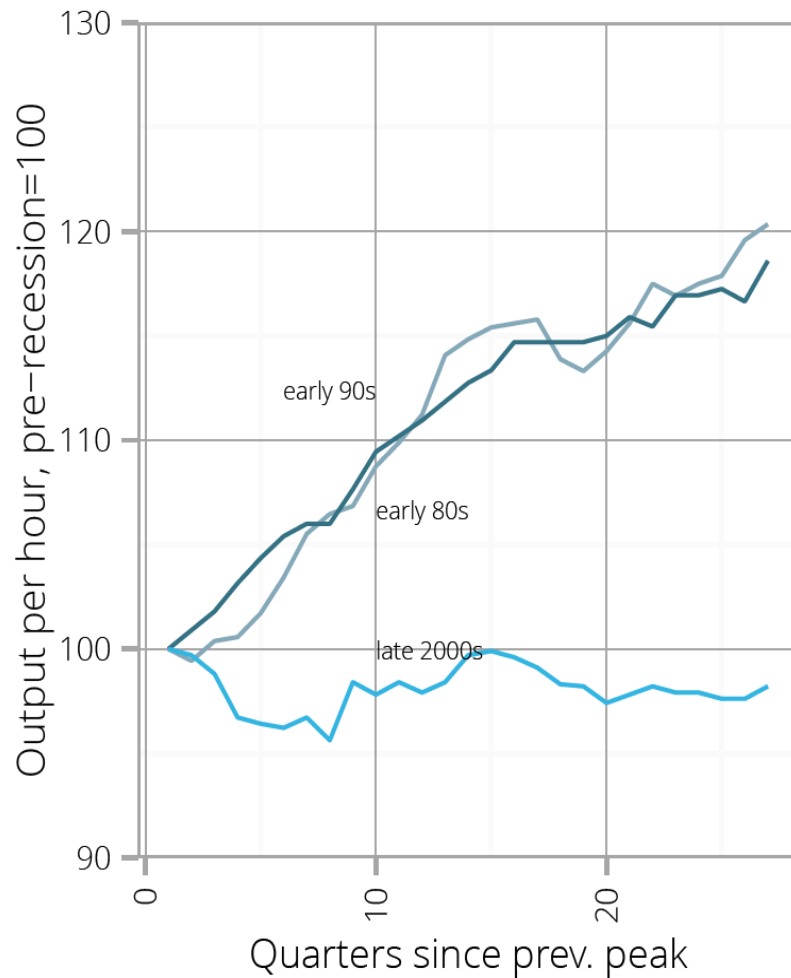
**Trends describe a continuation of events, following a robust course**

13 trends are identified as the most influential on UK jobs and skills to 2030

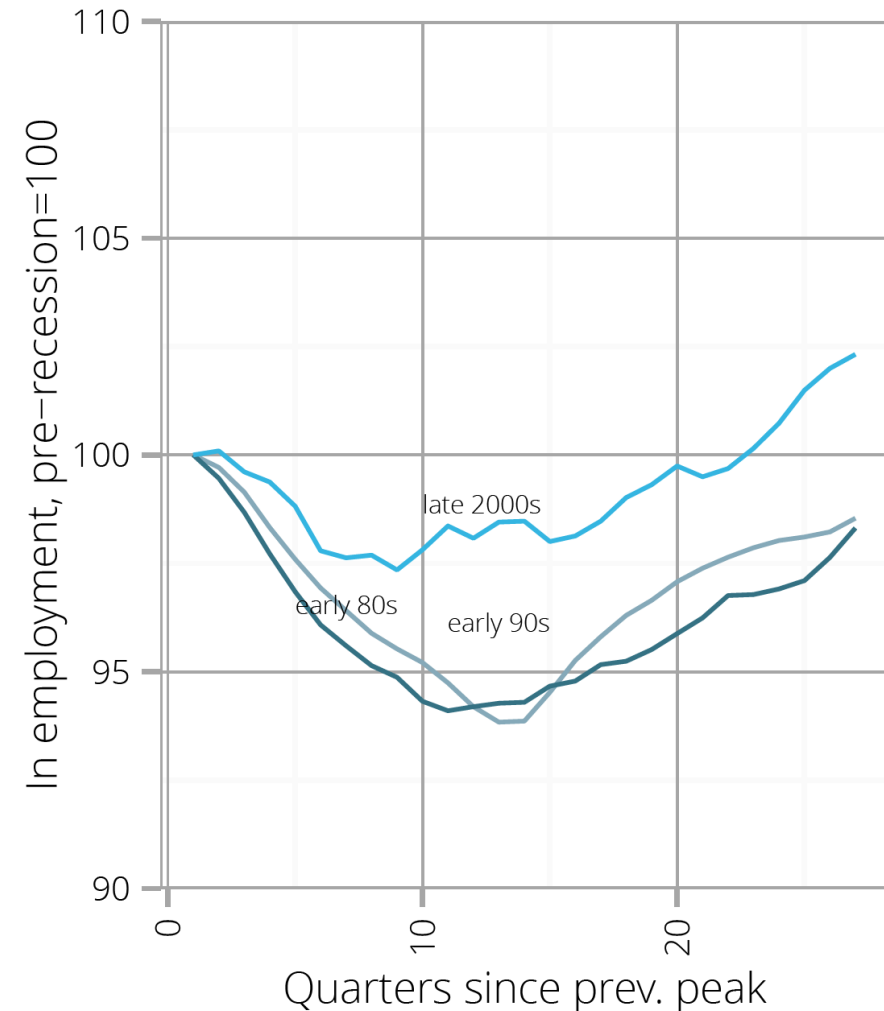


# Economic outlook

## Employment recovers, productivity is flat



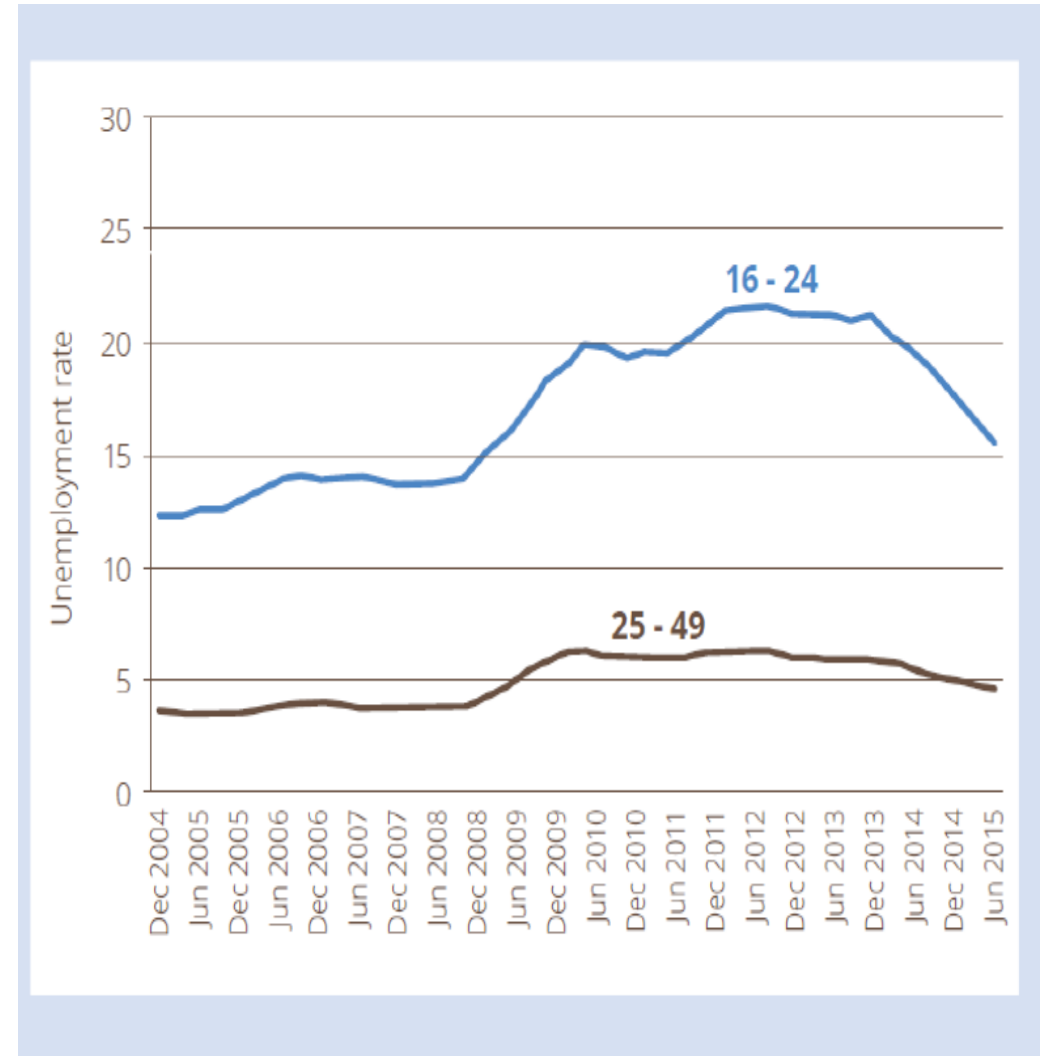
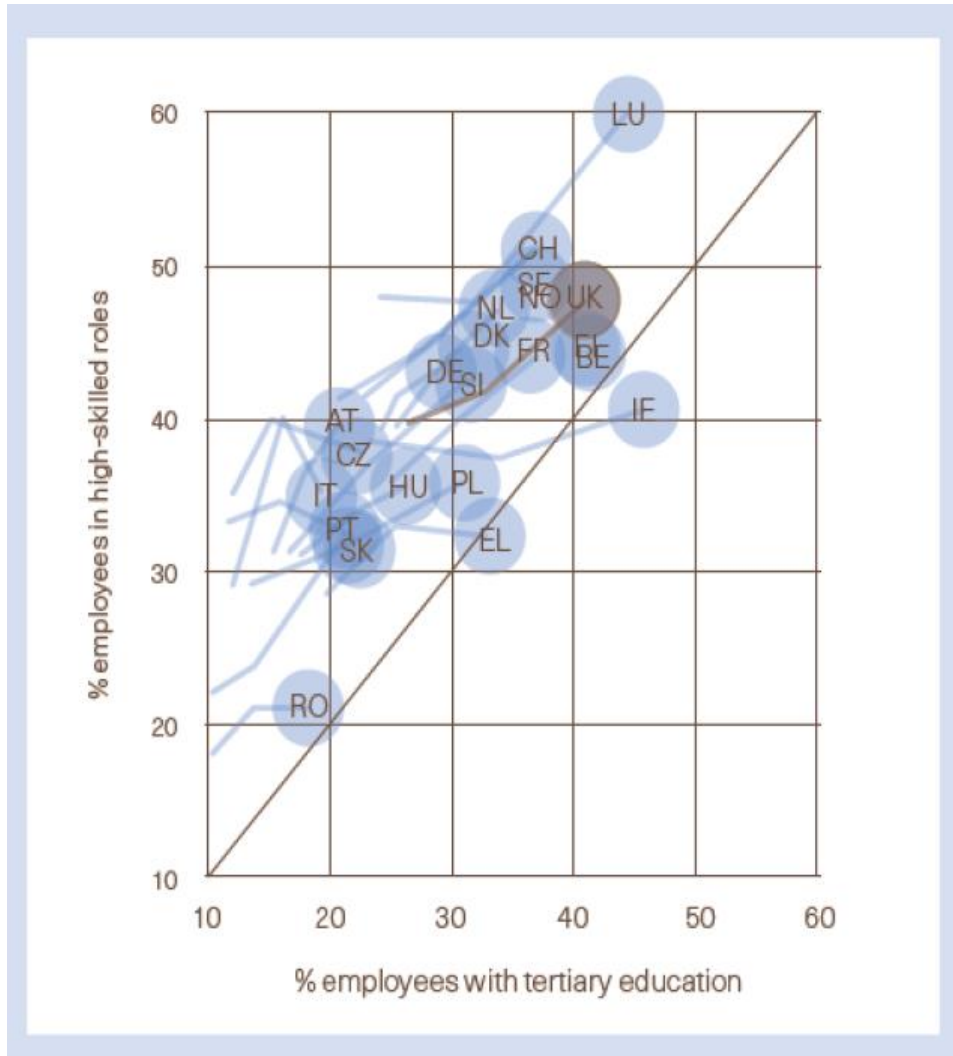
Data from ONS Labour Productivity.



Data from ONS Labour Market Statistics.

# Employment opportunities and threats

## Skilled jobs grow, but so has youth unemployment



Source: Eurostat (fsa\_egised) (left), using ISCO1-3 and ISCED5+, and Nomis APS (right), using SOC1-3 and NVQ4+.

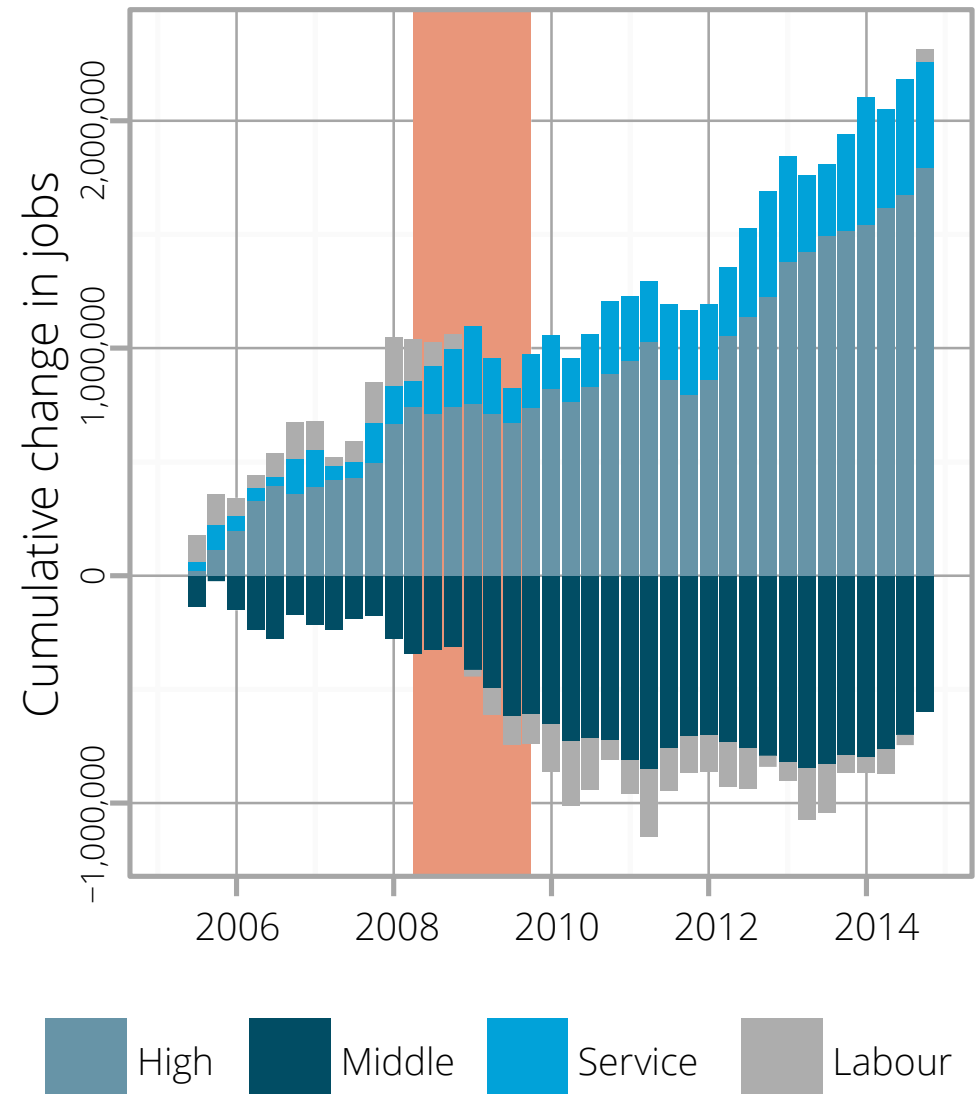
Source: The Inter-Departmental Business Register (IDBR), March 2014

# Employment opportunities and threats

## Middle-skill jobs in long-term decline

High-skill jobs and service-intensive jobs have held up well through recession. But middle-skill and labour-intensive jobs have declined.

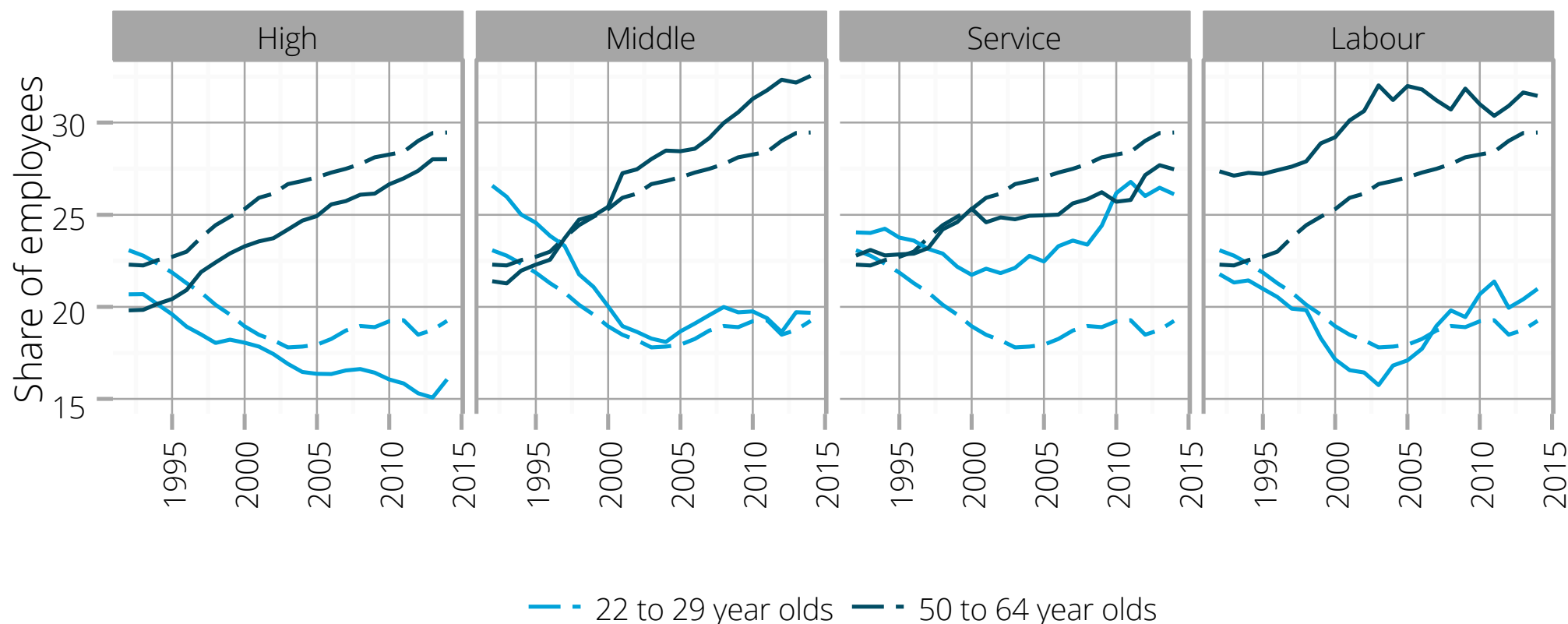
'Job polarisation' has, if anything, been magnified by recession.



# Employment opportunities and threats

## The hourglass hits on those entering work

Those in middle-skill jobs are relatively secure. But the result is to close opportunities for young people, meaning an ageing workforce in middle-skill jobs.

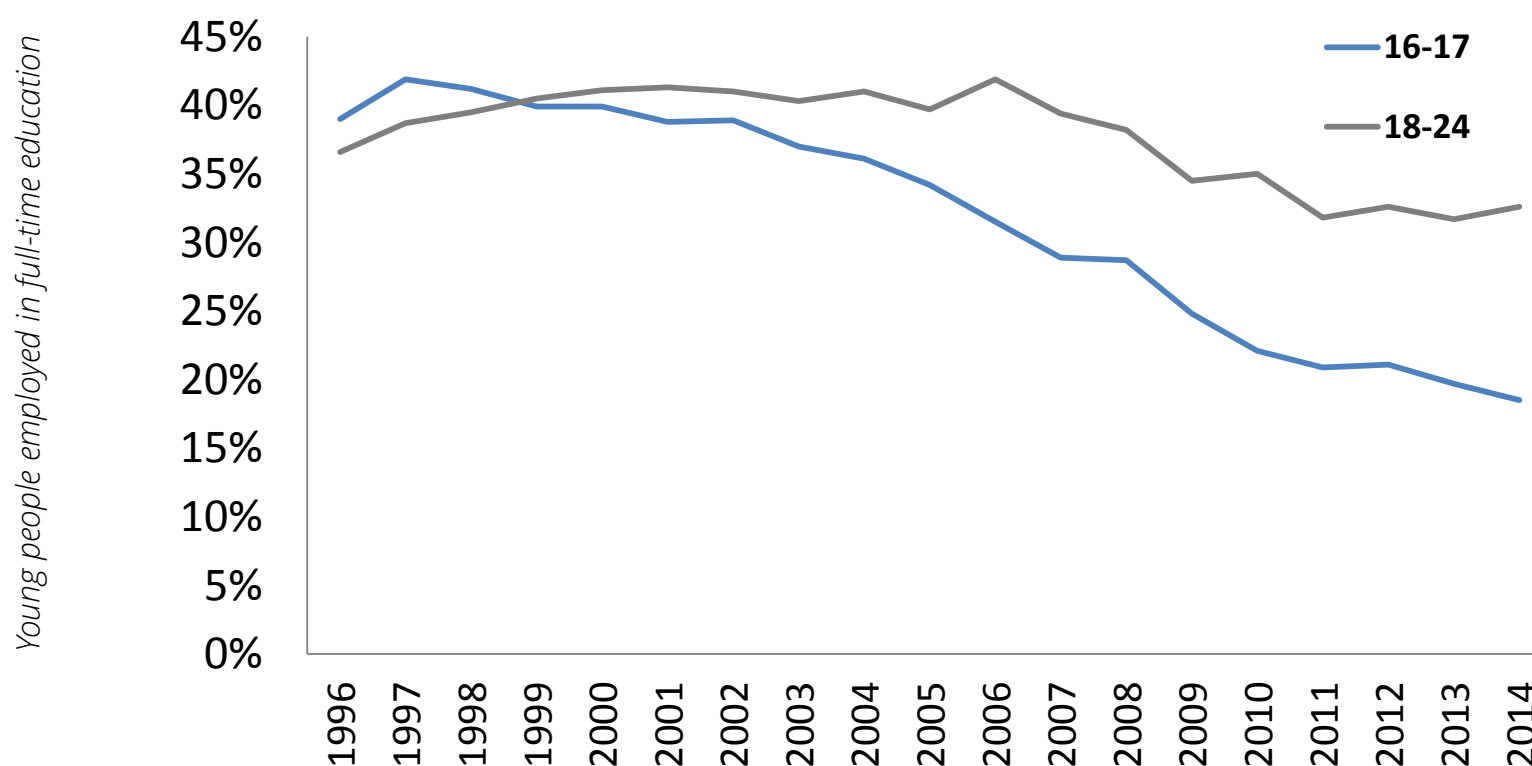




# Employment opportunities and threats

## Declining earning and learning

Proportions of 16-17 year olds working whilst learning have decreased dramatically: from **39%** in 1996 to **19%** in 2014. For 18-24 year olds the decline was more modest, from **37%** to **33%** over the period.

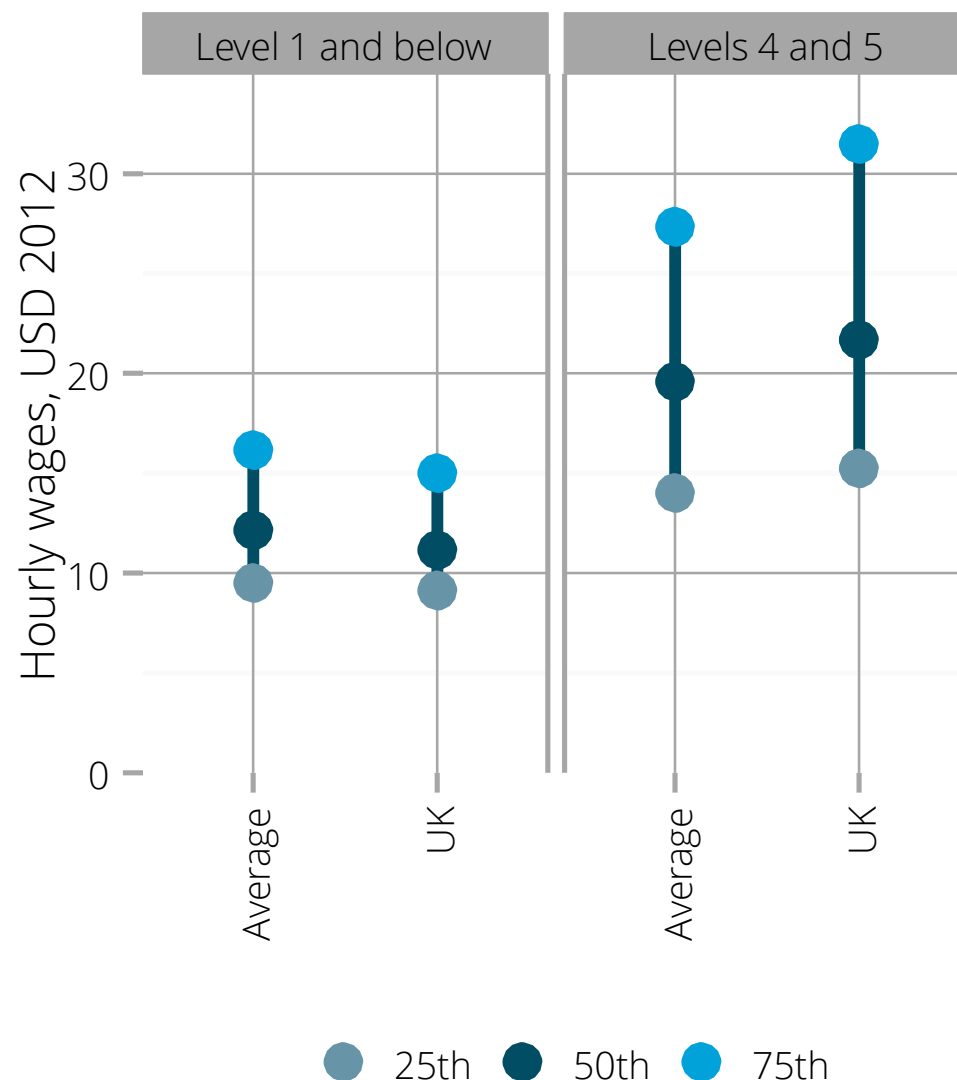


# Employment opportunities and threats

## A good place to be skilled, but...

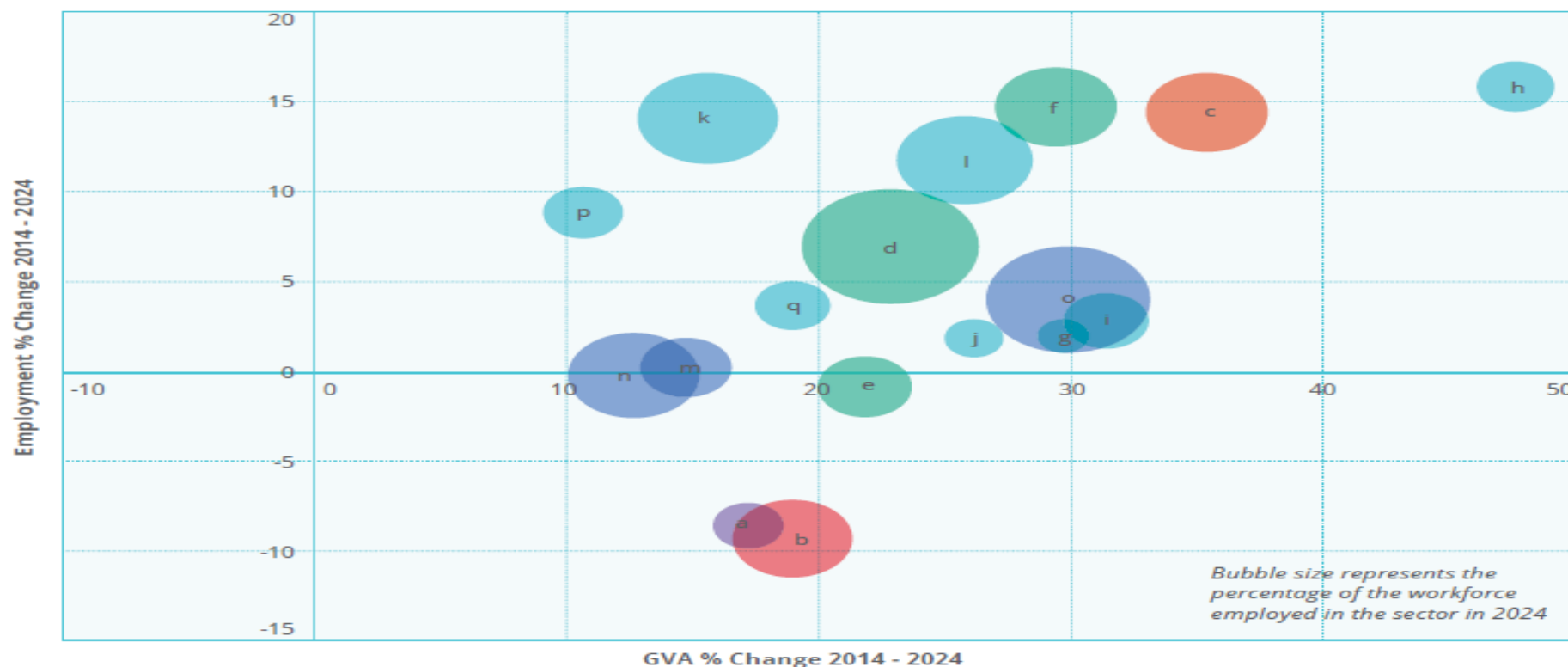
Highly-skilled people earn well by advanced economy standards.

Less-skilled people have fewer options, more limited prospects, and they also earn a little less well by advanced economy standards.



# Employment opportunities and threats

## Will future growth exaggerate the hourglass?

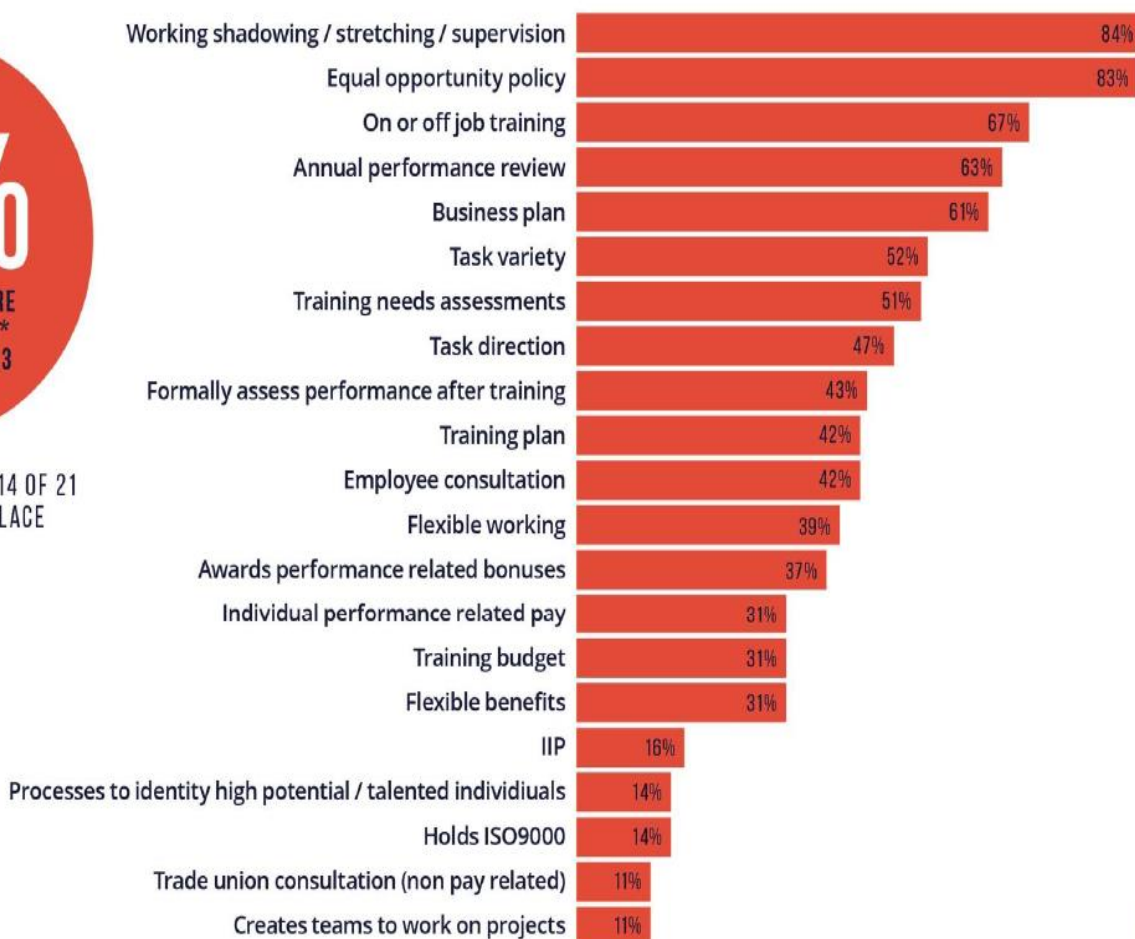
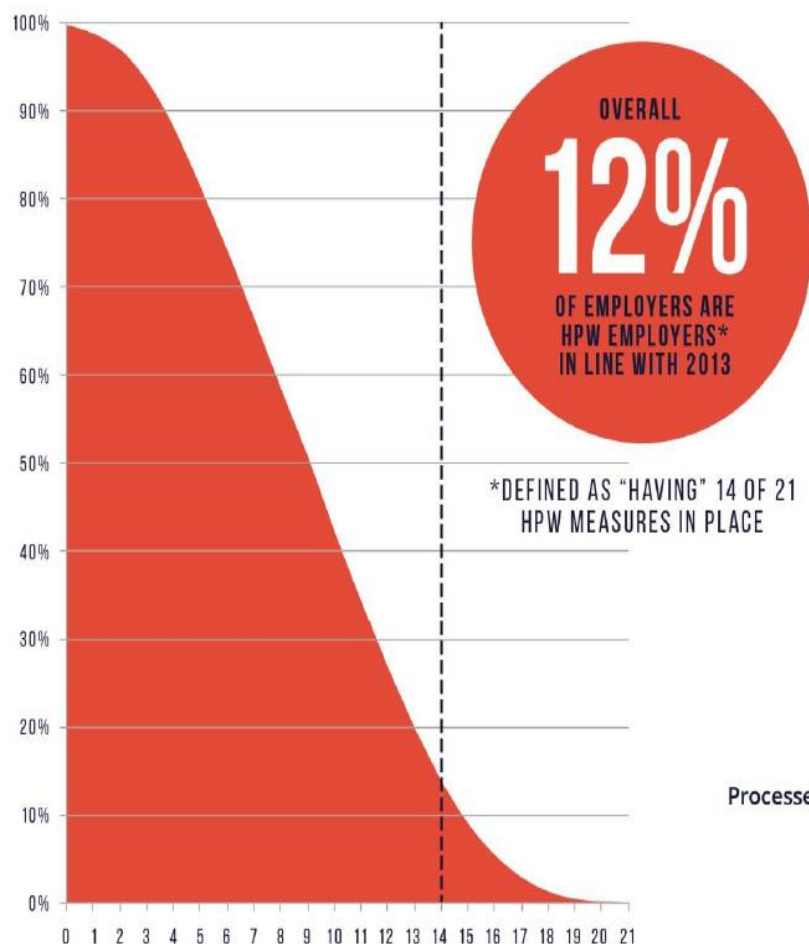


- a Primary sector & utilities
- b Manufacturing
- c Construction
- d Wholesale and retail trade
- e Transport and storage
- f Accommodation and food
- g Media
- h Information technology
- i Finance and insurance
- j Real estate
- k Professional services
- l Support services
- m Public administration and defence
- n Education
- o Health and social work
- p Arts and entertainment
- q Other services

Note: Public administration and defence excludes H.M. Forces

# Well run businesses can improve opportunities

## But, few adopt high performance working practices



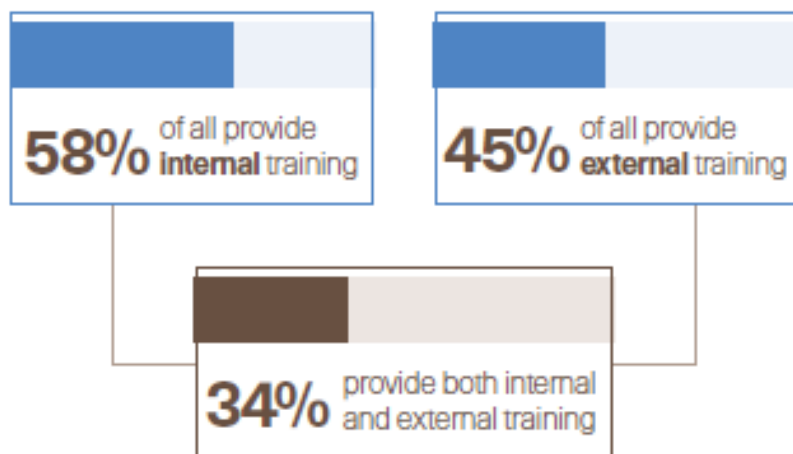
BASE: ALL ESTABLISHMENTS 2015: (MODULE 1: 45,392)  
ALL ESTABLISHMENTS 2013: (MODULE 1: 45,235)

# Employers are investing in skills

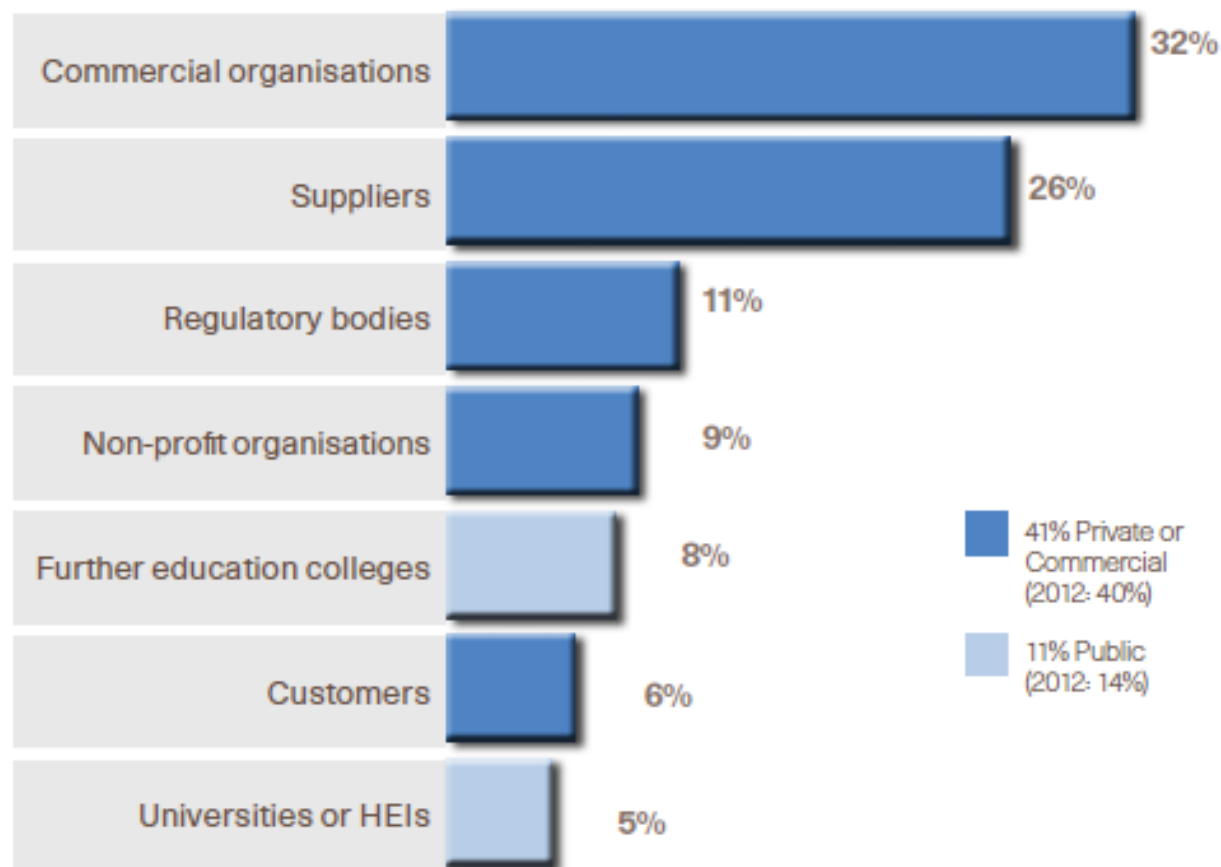
## But is investment targeted in the right areas?



Provide training  
for their staff

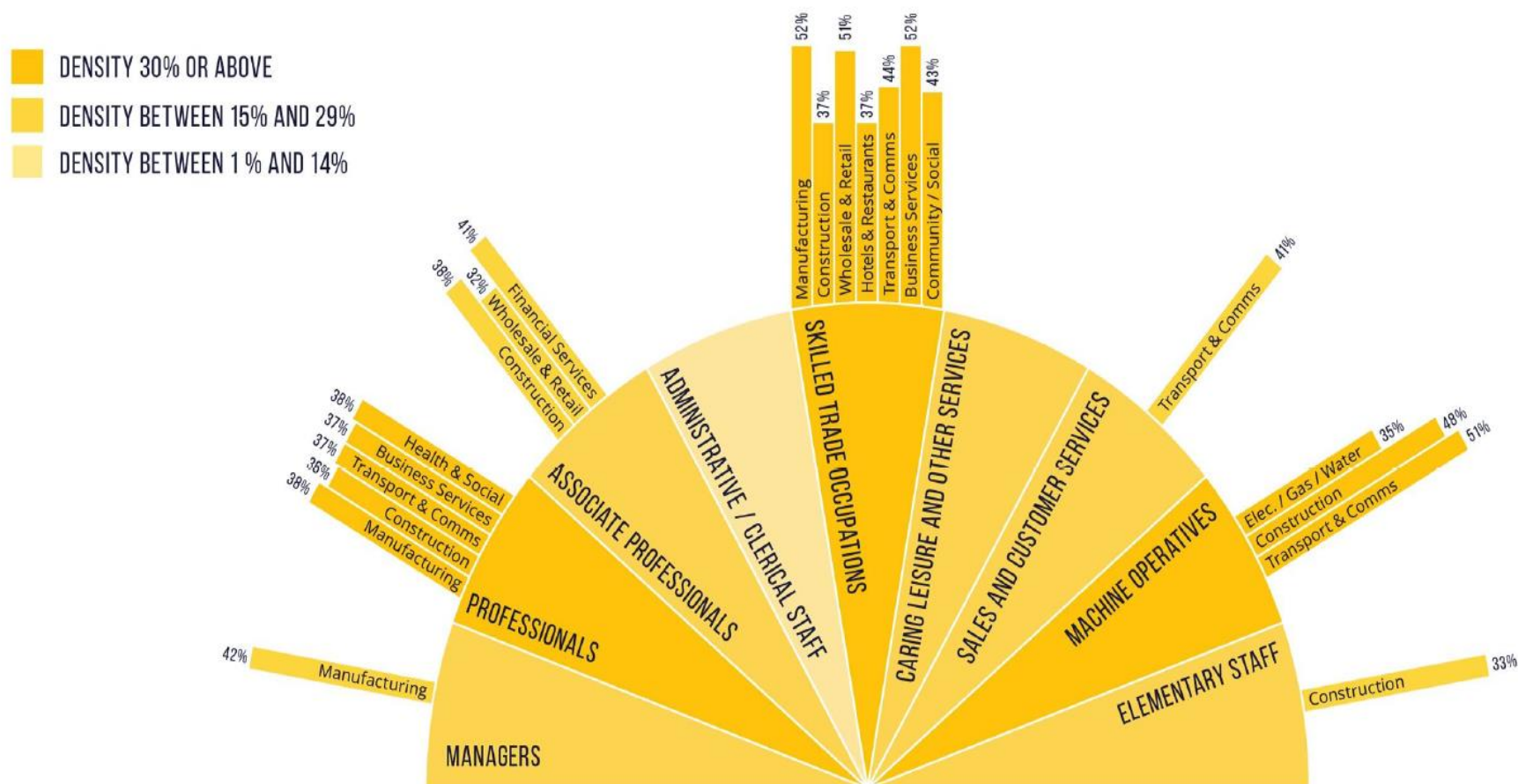


### External providers used, across all establishments

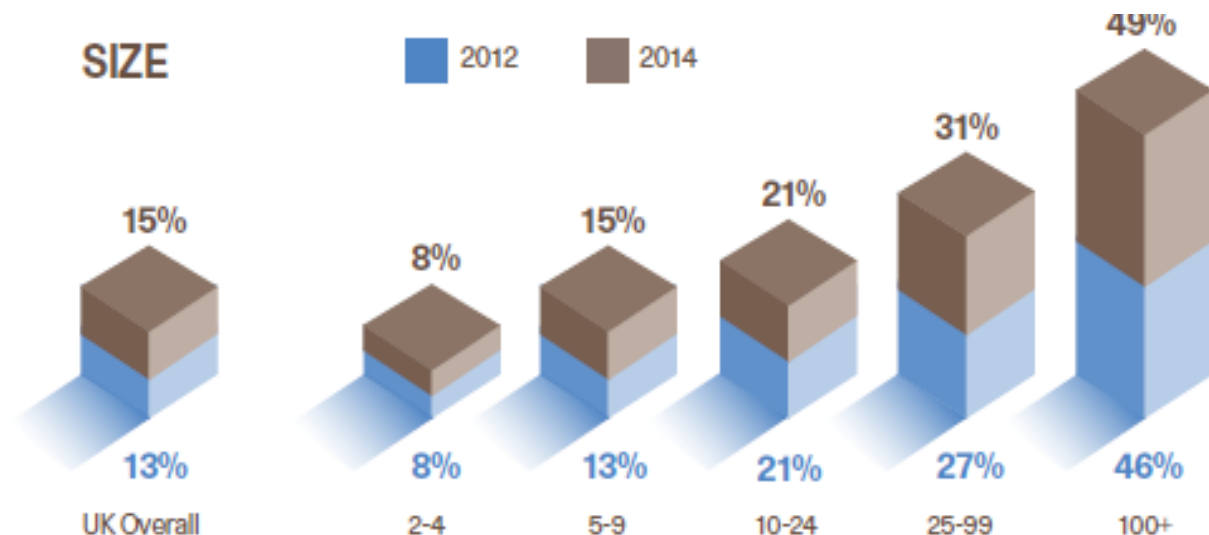
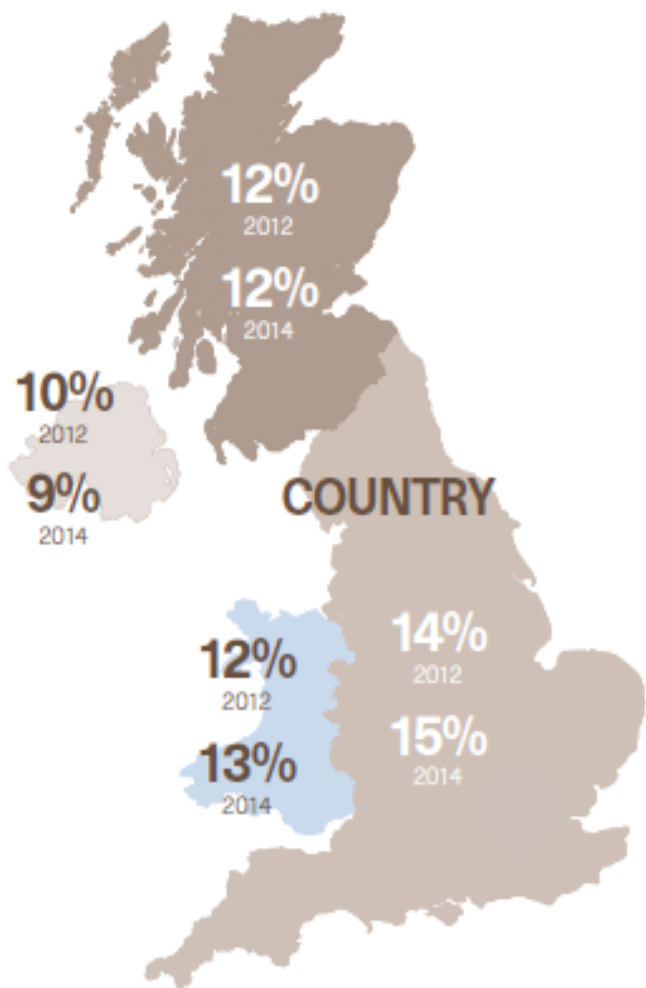


# Do we understand the skills employers need?

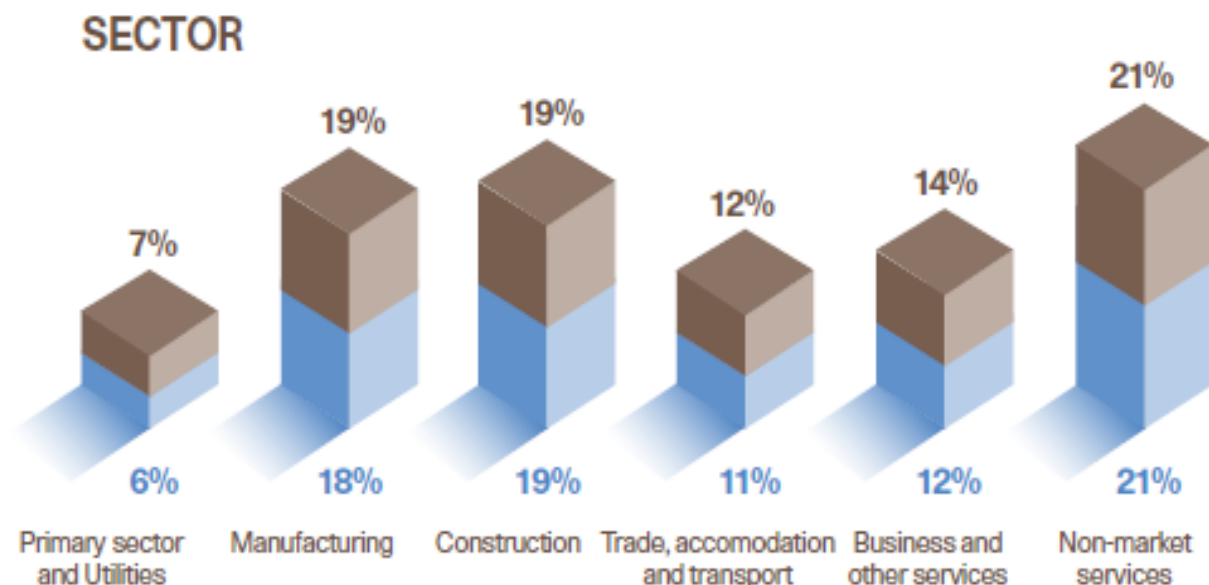
## Are training and employment opportunities aligned?



# Apprenticeships not realising their potential



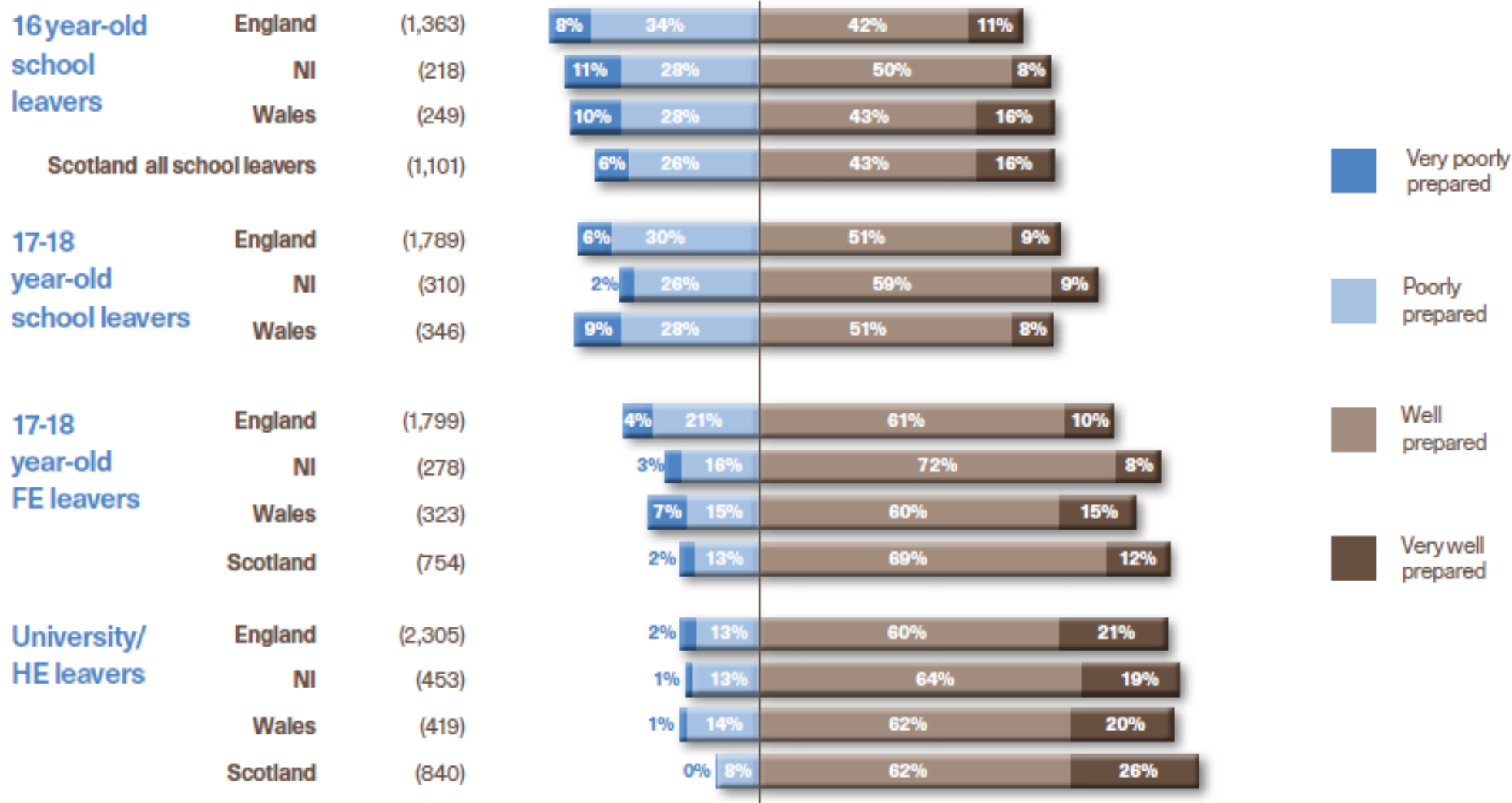
Base: All establishments (2012/2014): 2 to 4 3,373/4,223; 5 to 9 3,415/4,284; 10 to 24 3,326/4,068; 25 to 99 3,082/3,834; 100+ 1,808/1,650



Base: All establishments (2012/2014): Primary 673/962; Manufacturing 1,166/1,213; Construction 1,033/1,465; Trade 4,980/5,753; Business 4,101/4,968; Non-market 3,051/3,698

Base: All establishments (2012/2014): UK 15,004/18,059; England 10,003/10,032; NI 1,000/2,005; Scotland 2,000/4,015; Wales 2,001/2,007

# Preparedness of education leavers for work





# Work experience offering



## 44%

of establishments had either had **work placements** or conducted **work inspiration activities** within education institutions (schools, colleges or universities) in the last 12 months

### Work placement 38%

**Education placements** 30%

School 20%

FE College 12%

University 12%

**Broad adult placements** 14%

Work Trials 9%

Unemployed 6%

Voluntary\* 1%

Special needs programme\* <1%

**Internships** 7%

Internships 6%

Grad Programme\* 1%

### Work inspiration 18%

Held site visits 8%

Visited institutions 8%

Mentoring 7%

Mock interviews 4%

Design coursework 4%

Enterprise competitions 3%

# Growth through people:

## Building a demand-led system



1. Employers should lead on skills and government should enable them
2. Improving workplace productivity should be recognised as the key route to increasing pay and prosperity
3. 'Earning and learning' should be the gold standard in vocational education
4. Education and employers should be better connected to prepare people for work
5. Success should be measured by a wider set of outcomes not just educational attainment



- Open access LMI data portal
- Improves evidence base for careers decisions and strategic planning
- Places onus on third-parties to develop engaging interfaces
- Pilot is live now

# Results: 40 Top Jobs in 10 occupations

## Science, engineering and technology

- Mechanical engineers\*
- Research and development managers
- Physical scientists
- Design and development engineers
- Biological scientists and biochemists

## Information Technology

- Programmers and software developers\*
- IT specialist managers
- IT business analysts, architects and systems designers\*
- IT project and programme managers
- Web designers and developers

## Business and finance

- Sales accounts and business development managers  
e.g. sales manager\*
- Business and financial project management professionals  
Finance and investment analysts and advisers
- Chartered and certified accountants
- Management consultants and business analysts

## Health and care

- Doctors
- Nurses\*
- Nursing auxiliaries and assistants
- Care workers and home carers\*
- Dentists

## Construction

- Carpenters and joiners
- Architects
- Construction project managers\*
- Plumbers and heating and ventilating engineers
- Chartered surveyors

## Manufacturing, installation, maintenance

- Electricians and electrical fitters\*
- Metal working production and maintenance fitters
- Pipe fitters
- Aircraft maintenance and related trades
- Telecommunications engineers

## Education

- Secondary education teachers\*
- Teaching assistants
- Primary and nursery education teachers
- Senior professionals of educational establishments

## Transport and logistics

- Aircraft pilots and flight engineers
- Large goods vehicle drivers
- Ships officers
- Train and tram drivers\*

## Agriculture

- Farmers\*

## Protective Services

- Police officers\*

# Employer-led initiatives

## UK Futures Programme - "R&D approach to skills"

### We...

- ... run Productivity Challenges that are **highly targeted** at genuine skills issues for business
- ... develop and pilot **employer-led** projects that **test innovative approaches** to these issues for a business community
- ... learn **what works, what doesn't** and **why**, for sustainable improvements
- ...have a higher **risk appetite** allowing lessons to be learned
- ...and feed this learning into **policy development and wider business practice**



# New Industrial Partnerships

Aerospace	Automotive	Creative Industries	ICT
			
Power	Nuclear	Science	Tunnelling
			

# Productivity Marketplace

## A cycle of continuous improvement



[howgoodisyourbusinessreally.co.uk](http://howgoodisyourbusinessreally.co.uk)



# Productivity Marketplace

## Customised business-led solutions for sectors

Food and Drink Federation has developed a five year plan to drive a step change in skills and talent in the sector. They will test and trial through an innovation hub to:

- Improve the image of the sector
- Secure better engagement with schools
- Drive better collaboration with FE and HE
- Improve apprenticeships uptake and quality





# Productivity Marketplace

## Retailers pursue a journey to better jobs



- Best route to social mobility (“get in, get on” in life)
- Reach rewarding career while maintaining flexibility
- Community hub, positive role in society
- Diversity and inclusion leader



- Some tasks are automated to enable higher value added roles – better use of “human touch”
- Wide variety of roles



- High calibre leaders – widely recognised training ground for general management, highly sought after jobs
- Leadership in local community



- Opportunities for progression regardless of academic background
- Training ground for core employability skills
- Most jobs above NLW, attractive rewards and benefits package
- More entrepreneurship in the industry
- Higher job satisfaction
- Lower turnover – and more accepted practice of people leaving and returning

# Stronger employer engagement

## What have we learned?

### Five principles:

1. Employer ownership and responsibility
2. Customer-focused and outcome driven - with employers and individuals at the heart of the system
3. Alignment of strategy and investment leverages more and better outcomes
4. Simple and transparent systems engage customers
5. Collaboration delivers relevant skills

# Thank you

[www.gov.uk/government/organisations/  
uk-commission-for-employment-and-skills](http://www.gov.uk/government/organisations/uk-commission-for-employment-and-skills)

 [info@ukces.org.uk](mailto:info@ukces.org.uk)

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