



Research report
September 2012

A large, stylized graphic of a yellow arrow pointing right, filled with a semi-transparent image of the Big Ben clock tower and the Westminster Palace in London. The image is tinted with a yellow color that matches the arrow's fill.

THE BUSINESS CASE FOR EMPLOYER INVESTMENT IN YOUNG PEOPLE

Today's young people, tomorrow's workforce



Today's young people, tomorrow's workforce

This report is part of the CIPD's Learning to Work initiative, which aims to increase employer investment in young people, so that employers help prepare young people for work and make their organisations more youth-friendly.

The campaign has three strands: making the business case for employer investment in young people, developing a package of options to increase employer engagement with young people, and raising awareness of the role HR professionals and employers can play in tackling youth unemployment.

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FOREWORD

The CIPD wants to help organisations to get the best out of their workforce. This includes helping employers of all sizes and sectors to think more strategically about growing their own workforce. Tackling youth unemployment and getting more employers to invest in young people is therefore a key issue for us. If our businesses are to compete in the global economy and if our public and non-profit sectors are to remain sustainable, we need a highly motivated, engaged workforce. This has to include young people.

This research shows that many employers already know this: three-quarters of employers believe that there is a business case for employing young people and almost as many think they have a role to play in tackling youth unemployment. Many organisations already invest in young people. I am pleased that they have shared their experiences and best practice with us and I would like to thank them for their contributions to this research.

Employers such as O2, Nestlé, NHS Employers and BSKyB, to name just a few, show that businesses need young people just as much as young people need jobs. Those employers also know that their engagement with young people has to start early, by going into schools, and that employing young people is not always the most convenient way of filling job vacancies, but it is an investment that pays off.

But many employers also think they should do more to engage with young people: for example, a majority of employers believe they need to offer more access routes to young people and yet, only a minority do so now. This shows that changing the hearts and minds of employers is an important first step, but it is not enough. Employers need practical help, support and advice to translate their goodwill into action. This is where I think the CIPD can help with our newly launched Learning to Work campaign, by providing employers with practical advice and insight into how to step up their investment in young people.

Peter Cheese

Chief Executive

Chartered Institute of Personnel and Development (CIPD)

INTRODUCTION

'A society that cuts itself off from its youth severs its lifeline; it is condemned to bleed to death.' (Kofi Annan, former UN Secretary-General, at the World Conference of Ministers for Youth, 1998)

Being a young person in today's labour market is not easy: it's a complex landscape to navigate and an uphill struggle to get the first job. Young people have always needed more time to gain a foothold in the labour market, moving in and out of jobs as they try to work out their career path. But somehow, over the last decade or so, the labour market has become less youth-friendly. This is a problem, not only for society and the young people themselves, but also for organisations. They may not exactly 'bleed to death', but a lack of investment in young people will undermine their organisational success and long-term competitiveness.

There is a clear business case for the recruitment of young people: investing in young people supports long-term productivity and competitiveness in an ageing society, shaped by fast-paced technological change and an increasingly global market. A majority of the HR professionals we surveyed have told us so and our research with employers that either already invest or want to increase their investment in young people gives us some insight into the key reasons for doing so. These include workforce development and building a talent pipeline, improving workforce diversity and bringing new ideas and skills into the workplace. Employers have also told us how young people's enthusiasm and motivation has invigorated their existing workforce and has helped them to develop new ways of working. In addition, investing in young people helps employers to engage with their community and strengthen their employer brand. Growing your own workforce is also more cost-effective than buying in skills later on.

As we will outline in this report, many leading employers are already investing in young people in a variety of ways or are on the cusp of doing so. They work with their local schools, provide young people with work experience placements and internships; they offer apprenticeships, post-A-level routes and graduate schemes; and they bring young people into their organisation through direct recruitment. We will share their best practice with you. But we need many more to follow suit and have a strategic, long-term approach to grow their own workforce and bring young people into their organisations. It's the right thing to do, from a business as well as a social perspective.

At the CIPD we are aware of the key role employers, and in particular HR professionals, can play in helping prepare young people for work and how they need to make their organisations more youth-friendly. This is why we launched our Learning to Work campaign: to achieve a shift in the level of engagement employers have with young people. We also want to change perceptions about what young people can bring to organisations. Making the business case for the recruitment of young people is a first step in doing so.

1 WHY MAKE THE BUSINESS CASE FOR INVESTMENT IN YOUNG PEOPLE?

Today, young people's transitions from education into employment take longer and are more difficult. This is due to a number of developments in the labour market, the education system and employer behaviour (for a more detailed analysis of these issues, see CIPD 2012a).

THE LABOUR MARKET SITUATION OF YOUNG PEOPLE

Generally, young people are among the most disadvantaged groups in the labour market because they lack the experience of the workplace and the job-specific skills that employers ask for. As a result we have a rise in youth unemployment that started long before the recession:

- At 22%, the UK youth unemployment rate is near the European Union (EU) average but, with over a million, the UK has the largest absolute number of unemployed young people of all EU member states.
- Furthermore, young people find it harder to compete with older and more experienced workers (the 'no experience, no job' cycle).
- The ratio of youth unemployment to adult unemployment is much higher: a young person in the UK is currently more than three and a half times more likely to be unemployed than someone over the age of 25.
- Employers are particularly reluctant when it comes to recruiting someone straight out of education: only about one in ten businesses directly recruit 16–18-year-olds from school, and less than a quarter of employers recruit anyone under 24 directly from education (UKCES 2012a).

Interestingly, this isn't the case in other European countries, even in those with higher youth unemployment rates, such as Greece, Spain and Portugal, where the youth to adult unemployment ratio is much lower than in the UK (see Lanning and Rudiger, 2012). This indicates that we have a wider problem around education-to-work transition in the UK. We need to address this, as there are significant costs and other negative consequences associated with the disengagement of young people from the labour market. It is also a significant issue for organisations, in terms of their future skills and talent supply and thus long-term competitiveness.

EMPLOYER PERCEPTIONS AND ATTITUDES TOWARDS YOUNG PEOPLE

Employers themselves acknowledge that they are often prejudiced against young people, even going so far as to say that there is potentially a 'hidden issue around young people – an unconscious bias employers have against them'. In our qualitative research on this issue, employers have told us:

- Many employers are 'petrified' to employ young people, because of the negative perceptions around their attitude. Managers are unsure about the benefits of employing a young person and see them as a 'risk'. This has been confirmed by a recent survey of micro-businesses carried out by the British Chambers of Commerce that found that almost half of the employers interviewed are 'fairly' or 'very' nervous that a school-leaver with A-levels or the equivalent would have the necessary skills for their business (BCC 2011).
- HR professionals have got 'out of the habit' of recruiting young people and, as a result, they 'don't ask them the right questions' and they 'don't know how to recruit young people and how to talk to young people'. For example, HR professionals would ask young people about their work history, when they have never worked.
- Managers have 'lost the skill to manage young people' and they worry about the level of pastoral care they need to provide.
- Employers ask for graduates, even if the job doesn't require graduate qualifications and they don't offer as many entry-level jobs as they used to.
- Employers prefer to recruit somebody who can 'hit the ground running' rather than invest in a young person.

In addition, research on employer behaviour demonstrates that many employers also don't see themselves as having a role to play in developing the skilled workforce of the future. They overlook the long-term benefits of growing their own workforce because of a short-term focus on recruiting people who are immediately productive:

- Managers see themselves as 'customers' rather than 'actors' within the education system. As such, they expect the education system to produce 'job-ready' workers and then express their disappointment if that's not the case (for a more detailed discussion on this, see CIPD 2012a).
- A study carried out by the Institute for Employment Studies found that employers' preference to recruit workers with previous experience or higher qualifications than necessary is a '*reflection of the well-documented short-termism found in UK management and recruitment policies*' (Hasluck 2012).
- Organisations don't anticipate skills needs. CIPD research shows that only a small minority of organisations (6%) look five years ahead when it comes to workforce planning.

Making the business case for employing young people to employers should thus also be about highlighting the benefits of a more long-term, strategic approach to workforce planning.

LINKING INVESTMENT IN YOUNG PEOPLE TO BUSINESS STRATEGIES

A majority of employers, despite their general reluctance towards young people, do think that there is a business case for employing young people. Indeed, two-thirds (74%) of the HR professionals surveyed in our *Learning to Work* survey (CIPD 2012c) said so, with only one in ten thinking that there isn't. This is quite consistent across sector and organisational size, with employers in micro and small companies just as convinced of the business case for recruiting young people as those working in larger organisations.

In terms of sectors, our quantitative research has shown that there are some differences across sectors, although these are not substantial. Employers across all sectors think there is a business case for employing young people, with the highest score in the IT sector, followed by transport and communications, finance, insurance and real estate, manufacturing, public administration, healthcare and education. The lowest score is in the construction sector, but even here a majority (57%) still believe that there is a business case for employing young people. The greatest differences are between the public and the private sector, with the public sector generally being more engaged with young people than the private sector.

In our research, we focused on the various elements of the business case for bringing in young people. Our starting hypothesis is that, only if organisations recognise how this relates to their overall business goals will we achieve a change in employer attitudes towards young people. Our *Learning to Work* survey (CIPD 2012c) shows that those employers that believe that there is a business case for employing young people are twice as likely to have recruited a young person.

However, some employers are also keen to emphasise that helping young people is 'the right thing to do', for the benefit of wider society and the economy:

'Morally we recognise that helping young people is the right thing to do. If we get more young people into work, our economy will look brighter as a result of it,' argues Valerie Stevenson, HR director at Deloitte.

For most organisations, however, the corporate responsibility agenda is not the main driver for their investment in young people. Moreover, what also emerged from our research is that organisations that had previously put more emphasis on the CSR aspect of engaging with young people have now started to change this approach and to link their investment in young people more closely to their overall business strategy. This approach is indicative of a change in employer behaviour and a recognition that organisations need to become more youth-friendly. Indeed, we've found that highlighting the link of youth employment to the organisation's overall business strategy is crucial, in particular to get buy-in from the top:

'The most important part about increasing your investment in young people is to get buy-in at senior level as this will only work with a strong commitment from the top of the organisation,' says Ann Pickering, HR Director at O2-Telefonica, which has made a strategic commitment to double its intake of young people by 2015.

This shows that to achieve a change in employer investment behaviour, we need to make the business case for employing young people by highlighting how this impacts on organisations' competitiveness. We need to help employers to link investment in young people to their business strategy, in order to achieve the step-change in employer behaviour that is needed to improve education-to-work transitions and ultimately to improve the labour market position of our young people.

2 WHAT IS THE BUSINESS CASE FOR EMPLOYER INVESTMENT IN YOUNG PEOPLE?

A literature review carried out for the UKCES looked at the short-term and long-term benefits for employers engaging with young people (engagement ranges from working with schools through to direct recruitment). They fall into the following categories (Hasluck 2012):

- first, the benefits **inherent to the young person**, such as greater flexibility and willingness to learn, innovation and energy, higher skills and a greater optimism
- second, benefits **connected to workforce development and growing your own workforce**, such as enhanced loyalty, reduced turnover, shared organisational culture, attracting talent and preparing for the future
- third, benefits occur through greater **workforce diversity**, such as insights and connections to the market and customer base
- finally, a greater **cost-effectiveness** due to lower recruitment and lower wages.

We used these findings as a basis for our quantitative and qualitative research on the business case for employer investment in young people. What emerged from this research are five key reasons why employers bring young people into their organisations:

- **growing talent and workforce planning**
- **young people's unique skills, attitudes and motivation**
- **workforce diversity**
- **employer brand**
- **cost-effectiveness.**

We will look at these elements and how they play out in different organisations in more detail below. However, it is important to note that while the conviction of the business case for employing young people is equally strong across sectors, there are differences in emphasis: for example, in the hospitality industry, cost-effectiveness will be more important, whereas in the telecommunications sector digital literacy is a crucial factor. Engagement with the community is an important driver for the public sector to recruit young people, and the ability to access a wider talent pool and ensure succession planning is at the top of the agenda for the food engineering sector.

Every organisation will have its individual needs and concerns. We are therefore not trying to establish a one-size-fits-all business case that will appeal to every organisation. What we are trying to do is to share best practice and examples across sectors to help employers see how other organisations have linked the investment in young people to their business strategies.

GROWING TALENT AND WORKFORCE PLANNING

'We need to be clear that we are facing the toughest time ever, in terms of the general business environment, and yet we have made the decision to invest in youth, because young people are our future.' (Ann Pickering, HR Director, O2-Telefonica)

Younger workers might not have all the experience employers think they need, but they are undoubtedly the workforce of tomorrow. An investment in young people therefore helps employers:

- to build a strong pipeline of future talent and ensure succession planning
- develop knowledge transfer from an ageing workforce and keep skills in-house
- grow a committed, loyal workforce that will help to achieve their future business goals
- shape their workforce in response to organisational needs and develop an organisational culture
- address future skills gaps.

Our research shows that those employers that bring in young people do so because they know how growing their workforce helps to secure future growth and gives them a competitive edge. When we asked HR professionals in our *Learning to Work* survey (CIPD 2012c) why they recruit young people, 'to grow our own workforce' and 'to build our talent pipeline' were named as the top two reasons (40% and 38% respectively).

This is particularly important in light of an ageing workforce, as analysis by the Office for National Statistics (ONS) shows that the UK population is projected to continue to age quite significantly over the next 20 years. Many employers are now concerned with replacing the skills of those workers who will retire over the next decade:

'Around 30,000 NHS staff retire each year. An ageing NHS workforce therefore creates additional incentives for NHS Employers to attract younger staff and to build young people's skills now so that we can ensure a high-quality workforce for the future,' says Elizabeth Eddy, Head of Skills in Employment, NHS Employers.

Recruiting young people is therefore key to an organisation's workforce planning strategy. If employers don't actively think about bringing in the next generation of skilled workers, they will not be able to deliver on their business objectives: *'When all the Baby Boomers start retiring in 10–15 years' time, we will lose something approaching 25–30% of the workforce. We will face huge skills and knowledge transfer issues unless*

our workforce planning starts addressing that now through recruiting young people,' says Dean Shoesmith, Executive Head of HR from the London Boroughs of Sutton and Merton, explaining that this is a critical issue for the local authority sector, which has the oldest average-aged workforce of any sector in the UK.

The concern about the replacement of the existing, ageing workforce was also one of the catalysts for Veolia Environmental Services to step up their engagement with young people and to make a firm commitment to develop a variety of ways to bring young people into their business. Emma Wordsworth, Veolia's HR director, was alarmed by the increasing age profile of their workforce: *'We realised that a failure to bring in younger workers could affect our competitiveness in the years to come. A lot of our engineers are near retirement age and their replacements are also 50 years old.'* Now, she says, is the right time to invest in young people: *'we need to plan ahead for the economic recovery; this includes developing some new recruitment channels to get the loyalty of a good, committed workforce.'*

Investing in young people is seen as a way to ensure greater loyalty and employee engagement. A recent study looking at the benefits of apprenticeships and training confirmed that people who undertake their initial training with an employer are more likely to stay with that employer. The study also found that training also acted to motivate employees because it is a sign that the employer considers the employee worth investing in (Hogarth et al 2012).

Working out where future skills are coming from is a key issue for organisations. Even now, in today's tough economic climate, employers report serious problems in recruiting good people with the right skills, and research indicates that this will get worse:

- CIPD research shows that more than four out of five organisations are currently experiencing recruitment difficulties (CIPD 2012f).
- A survey carried out by Manpower also shows that skills shortages are set to increase in the UK and globally.
- Employment projections indicate that employers will need to fill 13.5 million job vacancies in the next ten years (UKCES 2012b).

To remain competitive, organisations need to have a clear picture of their current skills, where the gaps are and what skills will be needed in the future as circumstances and their business change. Our economy is undergoing significant changes, with new skills needs constantly emerging, in particular in technology-based sectors and occupations:

'Like most technology companies, we know that there will be a shortage of technology skills in the future, so we really need to build our talent base in that regard now,' explains Jo Fox, Director of Future Talent at BskyB.

Knowledge transfer from the existing, older workforce to younger workers is also a key issue for organisations that need to keep job- and organisation-specific skills in-house:

'It's hard to get that knowledge; you can't buy that in from the outside, so our priority is to transfer that knowledge from the older generation to the younger one and to grow our own workforce' (Karen Walker, Head of Resourcing, Greggs).

But for most organisations it's not just about saving to buy the skills from the outside; it's also about having the opportunity to shape their workforce corresponding to organisational needs and train them up to their standards, so they fit the organisation's culture and 'way of doing things'. Young people are a 'blank canvas', open to learn; they are open to new ideas, ways of working and experiences:

'We have technicians here that have worked in the business for a really long time, they have developed the business, helped build it. You can't bring that in; we want young people to learn the skills directly from those people, to learn the "Sky way of doing things",' says Jo Fox at BskyB.

Employers, such as Jurys Inn, say that while they can buy in skills, they want their workforce to be trained a certain way. In their case it's to do with the level of customer service provided, something they don't believe other organisations in the hospitality sector, which are more focused on procedures, can offer: *'We want our staff to look out for our guests; that's the particular experience you get at our hotels and this isn't something you can teach easily to somebody who has received a different training,'* says Jennifer Lee, HR director at Jurys Inn.

YOUNG PEOPLE'S UNIQUE SKILLS, ATTITUDES AND MOTIVATION

'Young people think differently, they do things differently, because of technology, it's a different generation' (Karen Walker, Greggs).

'We always want new ideas, that is how the industry has developed. We say to our young apprentices: if you have got new ideas or better ways of working – tell us' (Jo Fox, BskyB).

Young people are not only the workforce of tomorrow; they also bring unique skills, attitudes and motivation to organisations. In some ways, the same lack of work experience which disadvantages them in the labour market can be a direct benefit to employers if harnessed correctly. Our research shows that employers that think there is a business case for employing young people recognise that young people have something different and valuable to bring to the workplace: a willingness to learn (47%), fresh ideas and new approaches (43%) and motivation, energy and optimism (42%) – these were the top three things named in our *Learning to Work* survey (CIPD 2012c).

Ann Pickering, HR Director at O2-Telefonica, explains how seeing young entrepreneurs put forward new business ideas made her realise that Telefonica had to significantly increase its recruitment of young people: *'For me the wake-up call came when we initiated our Wayra project,'* she says, talking about the Telefonica initiative that identifies ideas with the greatest potential in ICT and provides them with financing, access to Telefonica resources and a place to work. *'So many young people submitted project ideas with great*

potential. That's why we need more young people coming in, to drive innovation and develop the revenue-generation of the future. This is why we decided to make an investment in young people. We can't put a number on the investment yet, but we know it's an investment that will pay off.'

In addition to new ideas, young people coming out of education also bring new and more up-to-date skills into the organisation; they are in touch with the latest education, learning, new methodologies and technology: *'Young people doing apprenticeships, for example, often have greater technical skills. They've taught our older workers new, improved methods,'* explains Emma Wordsworth at Veolia. This is also the case at Barratt Developments, for example, where a young apprentice has brought into the business a new and more sustainable way of laying bricks called 'thin joint' and is currently teaching this to the existing team.

Young people's unique skills are particularly important to organisations when it comes to digital literacy, social networking and social media. They are proficient users of technology because they have grown up with it: *'We are working on a big social media strategy at the moment, and our younger workers need to test that and tell us how to target our customer base,'* say Karen Walker at Greggs. Young people are also often the user of the technology and are thus best placed to advise organisations about product development:

'We are a very customer-facing business and we need our workforce to reflect our customers. It's the best way to find gaps in the market and spot opportunities for business development,' explains Kate Bellow, from Telefonica.

Contrary to conventional wisdom and challenging the perception of those employers that worry about engaging with young people, the employers we interviewed told us how impressed they are with the imagination and dynamism that young people bring to their organisations: *'it's refreshing they have a great energy and challenge our existing thinking,'* says Elizabeth Eddy, NHS Employers. This positive feedback is confirmed by Dean Shoemith: *'We have had consistently positive feedback on our apprentices, including from very senior people, who have been very impressed with their customer service.'* Similarly, in Rolls-Royce managers quite often use apprentices on the shop floor as part of process improvement to facilitate change because they come with no preconceived ideas and are able to challenge established ways of doing things.

Young people are also often more flexible. For Jurys Inn, for example, this flexibility is very important because they use flexible working where people don't stay in one job or one department, but move around: *'We need people who don't say "this is not my job" and who are able to adapt to different jobs. Younger workers are more likely to be able to do that,'* explains Jennifer Lee.

Younger workers are also often very creative, argues Lee, as she gives the example of a 'National Ideas Day' that Jurys Inn organised for its employees. A young girl designed a poster for their employee awards, which is now displayed in all 33

hotels. Jurys Inn is not the only organisation banking on the creativity of their younger workforce. Sky, for example, which prides itself on its strong organisational culture – which is innovative, fast paced and 'exciting' – likes to hire young people that are enthusiastic and interested in growing fast. The organisation likes to discover talent early on and reward it accordingly: *'Sky is a great organisation for young people to join. They get their hands dirty really quickly and don't sit around. For example, one of our technology graduates has developed an iPad app that is now used on the Sky Sports channels,'* says Jo Fox.

WORKFORCE DIVERSITY

'The greater the different types of people we employ – ages, gender and cultural background – the greater the diversity of thought and the more innovative we become' (Val Stevenson, HR Director, Deloitte LLP).

Employers recognise they need to bring in young people to ensure that the diversity of their workforce also reflects their customer base. Indeed, over a quarter of employers recruit younger workers specifically to boost workforce diversity (CIPD 2012c). They recognise that a more diverse workforce offers different perspectives, skills, values and experiences.

The key benefits of a diverse workforce are numerous and include: customer care and marketplace competitiveness; corporate image, brand, ethics and values; recruitment and retention of talent; designing and delivering products and services; increasing creativity and innovation; being an employer of choice and corporate responsibility (CIPD 2008).

Employing young people also helps employers to connect with their customer base:

'We need to be localised and engage with communities. A bin man visits people's houses, so they need to reflect the profile of the community and our customer base, which is the general public,' explains Emma Wordsworth, Veolia.

The need to reflect the make-up of the local community is also a common theme in the NHS: *'Our services are provided locally and we need to be in tune with the demographics of that particular area. We need to reflect the diversity of the community we are providing our services to,'* explains Elizabeth Eddy, NHS Employers.

But having a diverse workforce is also about 'fishing in the broadest pool of talent', as Jo Ward, Head of Talent and Resourcing at Nestlé, explains: *'we need to think about bringing 16- and 18-year-olds into our organisation. It's a talent issue. We need to get the right people and we don't want to miss out on appealing to a broader section of the community.'*

Young people often bring fresh perspectives and new ways of doing things by virtue of not having a pre-programmed corporate culture. They are therefore more likely to speak out and challenge ways of doing things that might not make sense or are not productive:

‘Young people think outside the box, and ask managers, “why do you always do it that way?” They teach the managers not to take what they say as a challenge but a learning opportunity,’ explains Jennifer Lee, Jurys Inn.

EMPLOYER BRAND

‘We cannot compete on price and on cost, so we are trying to compete on being a different kind of employer’ (Emma Wordsworth, HR Director, Veolia).

Employers also bring young people into their organisations to engage with their community, which strengthens their employer brand. Many organisations told us that employing younger workers boosts their reputation as an employer of choice. This is often not their main rationale for employing young people, but a very welcome by-product.

A strong employer brand also has a positive impact on competitiveness, as it can differentiate organisations from their competitors.

This is particularly the case for organisations operating in the public sector or dealing with public sector clients. Veolia Environmental Services, for example, has local authorities as their customers and tackling youth unemployment in the local area is high on their agenda. Being able to demonstrate that the organisation actively contributes to addressing this problem, by employing young people from the community, helps the business to align itself with their customers’ objectives and gives them an advantage over competitors. But Veolia also wants to make a difference: for example, their sales and marketing director made a personal commitment to only take on apprentices that are not in education, employment or training (NEET).

Employing young people, especially those from more disadvantaged backgrounds, is for many organisations also part of their CSR strategy. Indeed, a quarter of employers in our *Learning to Work* survey (CIPD 2012c) said that they had recruited young people because they feel they have a duty as an employer to help young people in the community and almost three-quarters of employers believe they have a role to play in tackling youth unemployment.

More and more organisations are developing closer links with their local communities as part of their corporate responsibility activities or to gain greater knowledge and representation of their customer base. A survey of managers carried out by the CMI found that a top driver for organisations to get involved in the education sector is to support their local community (52%) and 44% of managers said this is part of their corporate social responsibility (Woodman and Hutchings 2011). A study of Marks and Spencer education partnerships demonstrated how positive work experience placements can improve their image amongst the local community and also improve staff retention rates (Trebeck 2007).

For the NHS, getting young people into work delivers positive social outcomes and boosts the NHS’s reputation as an employer. The NHS is an interesting case from that point of view as their business objectives are obviously closely aligned with the well-

being of the overall public. Indeed, as Elizabeth Eddy, Head of Skills in Employment at NHS Employers, explains: *‘For the NHS, tackling youth unemployment is also a public health agenda. Youth unemployment is bad for the health of young people, who carry scars of this experience.’*

Younger workers can also act as an important recruitment and PR channel in themselves, as Karen Walker, Head of Resourcing at Greggs, explains: *‘young people know a lot of people...’* While at Deloitte, sponsored undergraduates act as ambassadors for them on campus.

COST-EFFECTIVENESS

Part of the business case for employing young people is also that it is more cost-effective to grow your own workforce, rather than trying to buy in skills and talent later. The younger the age at which an employer begins investing in the training and development of an employee, the more they can benefit from this investment. It is difficult to put a number on the return of this investment, although in some cases, for instance with apprenticeships, there are studies that do show the financial impact:

- A study carried out by the University of Warwick Institute for Employment Research (IER) demonstrated the returns of apprenticeships to the employer. Based on detailed employer case studies in seven sectors, the study demonstrated that employers are able to recoup their costs within one or two years after the training has been completed.
- Barratt Development PLC estimates that through the investment in apprenticeships, the company was able to promote from within, saving around £4,000 per person in recruitment and selection costs for site management positions.

In some cases, the lower salary of young people can also play a role; this is, for instance, the case in the hospitality sector, where many workers work for the minimum wage. Furthermore, employing and training younger workers allows organisations to tap into grants and funding, such as the Youth Contract recently launched by the Government in England. This provides employers with:

- wage incentives of up to £2,275 for employers to recruit 18–24-year-olds from the Work Programme
- funding for work experience placements
- grants for apprenticeships worth £1,500 to encourage employers to take on 16–24-year-olds
- additional support for the most disengaged young people to participate in employment and training.

However, what came out quite clearly is that cost is not the main driver for employers to recruit young people. On the contrary, some employers pointed out that it would not be sustainable to employ young people because they are cheaper than more experienced workers and they warned that this would be a ‘false economy’, as there are hidden costs for employing young people, such as training and management spend. This means that it is important for organisations to see their engagement with young people as an investment and not as a way to save resources in the short term.

3 HOW DO ORGANISATIONS INVEST IN YOUNG PEOPLE?

In the last section we looked at why employers engage with young people and what they think young people can bring to their organisation. Making the business case for employer investment is crucial, as outlined earlier in this report; however, this alone is often not enough.

There is a lot of goodwill amongst employers to help young people:

- Almost three-quarters (71%) of the employers we surveyed said they believe that they have a role to play in tackling youth unemployment.
- A majority also believe that young people 'just need an opportunity to prove themselves in the labour market'.
- Two-thirds think that they need to offer more access routes into organisations for non-graduates in order to help young people (CIPD 2012c).

But this goodwill does not automatically translate into concrete action, as our survey highlights a significant gap between the ways in which respondents believe employers can help young people and what is happening on the ground:

- Only half of the employers said they plan to recruit a young person over the next 12 months.
- A minority (41%) provide access routes, such as apprenticeships, for young people.
- Less than a third of organisations take part in visits to schools to highlight the local career opportunities available to young people.
- Just 14% of respondents said their organisation provides young people with insights into recruitment, such as providing help with CV writing or through the use of mock interviews.
- About a fifth of all employers are not engaging with young people in any way.

To help employers to turn good intentions into action, part of this research has also looked at how employers successfully invest in young people. Sharing this best practice is important to help other employers follow suit. In the following section we therefore examine how employers:

- **Adopt an explicit commitment to invest in young people**
- **Offer access routes, in particular for non-graduates**
- **Get buy-in from line managers**
- **Manage young people so that they maximise their returns on their investments**
- **Engage with education**

Finally, we've also asked employers what kind of support they need (from government and otherwise) to help them with stepping up their investment in young people.

AN EXPLICIT COMMITMENT TO INVEST IN YOUNG PEOPLE

We have seen earlier in this report how many employers don't engage with young people, for a number of reasons. The UK Commission for Employment and Skills (UKCES), whose main task is to leverage greater employer investment in workforce skills, recently launched its Youth Employment Challenge (UKCES 2012c), which sheds further light on labour market changes affecting young people. To make labour markets more 'youth-friendly', the report calls upon employers to recognise young people as an asset to their workplace and adopt a 'youth policy' that will help them to nurture and grow young people. This is not meant to be a formal HR document, but rather a conscious decision to think about what they can do to support young people in their community and a commitment to act accordingly. This could range from giving talks in local schools and colleges to offering work experience, committing to taking on apprentices, or developing a school-leaver programme to complement graduate recruitment.

We wanted to know what employers think about this recommendation and whether they already have a youth policy or are thinking of adopting something like that. A fifth of employers surveyed in our *Learning to Work* survey (CIPD 2012c) report they already have such a policy in place, with a further 10% planning to introduce this approach. About one in ten respondents think that their organisation should have a youth policy but 'would need to convince my CEO/senior management'. But almost 40% of employers don't think their organisation should adopt a youth policy.

A key part of the CIPD's newly launched Learning to Work campaign is about convincing those employers that don't think they need a strategic approach to engaging with young people – or a youth policy – that it is in their interests to do so in terms of future competitiveness. Making the business case is a first step, but over the coming months we will develop, with the help of employers that are leading in this area, a step-by-step guide for employers on how to adopt this approach.

But many employers are already leading on thinking and commitment in the area of youth employment and investment. For example, BSKyB is in the process of developing a twin-track approach for its increased engagement with young people, which will involve a youth employment as well as a youth experience strategy. The latter aims to provide schoolchildren with an insight into what working at Sky would be like. Sky has deliberately changed its focus from engaging with young people for its CSR strategy to investing in young people as part of its business strategy:

'We have now changed our focus to ensure the opportunities we offer to young people are of high quality and joined up,

to really build our talent pipeline in line with our business strategy,' explains Jo Fox, Director of Future Talent at BSKyB. 'This is where what we will be doing in the future in terms of our engagement with young people will be different from what we've been doing up to now. We are developing a more joined-up strategy, linking this to everything from skills shortages to having a more diverse employee base.'

PROVIDING ACCESS ROUTES INTO ORGANISATIONS

Employers need to offer more access and progression routes into their organisations for young people, so there are actually jobs that young people can go into. This is key to making organisations more youth-friendly and should form the core of any youth policy.

When we asked the employers in our case studies about the ways they bring in young people, two issues emerged. First, those organisations that engage with young people do so in a variety of ways. They run graduate schemes, school-leaver programmes, work experience and internship programmes, apprenticeship schemes as well as recruiting young people directly into entry-level jobs, for example:

- Rolls-Royce has what it calls an 'early career pipeline' that consists of a number of different graduate schemes, higher apprenticeships and advanced apprenticeships. They also offer good progression opportunities, as apprentices can move on into graduate schemes.
- Veolia equally offer two graduate schemes: the engineering scheme, where graduates work on how to turn waste into energy; and a general management graduate scheme, which they launched three years ago in response to the increasing age profile of their existing managers. In addition, the organisation offers apprenticeships, work experience, internships and entry-level jobs to young people.
- A third of the workforce at Greggs is aged between 18 and 24 and they enter the organisation via a variety of channels: work experience, entry-level jobs, graduate schemes, apprenticeships.
- NHS Employers works with a range of NHS organisations, the Department of Health, Jobcentre Plus and the Cabinet Office to promote the range of opportunities that NHS organisations can offer, including apprenticeships, internships, work experience and volunteering.

Second, most of the organisations are either thinking about or have already introduced more access routes for non-graduates, in particular apprenticeships. This is something which also comes out of our *Learning to Work* survey (CIPD 2012c): more than seven in ten respondents say that they can help young people by offering more entry routes into their organisation for non-graduates. Earlier we looked at the case of Rolls-Royce providing apprenticeships – which they have run practically since they started their business and which is part of their culture. But for many organisations this isn't the case, as over the last decade or so more employers have focused on recruiting graduates, without offering many

access routes for those with vocational education and training or A-levels. They could do so because of the ever increasing supply of graduates, following the great expansion of higher education. But some employers have started to realise that in order to tap into the widest talent pool, they can't recruit just graduates. Indeed, evidence collected through our *Learning to Work* survey shows that employers regard apprenticeships as a good way to provide high-quality training that is tailored to the needs of the business and a cost-effective way of building workforce skills and they acknowledge that apprentices can bring the latest thinking, for example on new technology, into the organisation. Employers also believe that it can help them to attract the best-quality employees and identify staff with most potential (CIPD 2012c).

This was also reflected in our qualitative research. Nestlé, for instance, is particularly keen to attract people from a wide range of backgrounds to build their talent for the future. They acknowledge that this may need to involve a U-turn in their recruitment and workforce planning strategies:

'We've closed off opportunities for school-leavers to join the business and to come and work for us and we need to plan to open these up again,' explains Jo Ward, Head of Talent and Resourcing at Nestlé. Nestlé has always had a large intake of graduates. They did also offer some apprenticeship positions, but mainly for factory and engineering schemes. Now the organisation is thinking about developing a commercial apprenticeships programme that offers a real alternative to university education. The reasoning behind this, explains Jo Ward, is related to talent planning and skills gaps: *'It is not just graduates that bring in the skills we need and what makes people successful is not just about having a degree. For us it's short-sighted to purely focus on graduates.'* Apprentices, she argues, are also more loyal: their attrition rate is only 1%, whereas for graduates it's 20%.

Dean Shoosmith, Executive Head of HR at the London Boroughs of Sutton and Merton, told us how his HR department has re-modelled some jobs to create apprenticeships; for example, they have removed the position of recruitment assistant in order to create two apprenticeships:

'We've tried to be creative about resourcing routes into the business and career paths, such as exploring whether for some entry-level roles we can use apprentices instead of agency staff.'

This approach also helps to get buy-in from the top, which is, as we saw earlier, so important in terms of making this happen.

HOW TO ENSURE BUY-IN FROM LINE MANAGERS

A key barrier to employing young people is the reluctance of line managers to take them on and, to some extent, a lack of insight into the additional management needs in terms of mentoring young people. The employers we interviewed had thus put some thought and effort into this. At Veolia, for example, where, as we have seen, the organisation made a big

commitment to increasing its engagement with young people, getting the line managers on board was the biggest challenge to make this happen:

'Managers like to recruit workers with experience, it makes it easier, they want somebody who can hit the ground running,' explains Emma Wordsworth, HR Director at Veolia. *'They don't want to manage a young person; they worry about them not turning up on time and generally being more difficult to manage. If left alone, managers would not recruit a young person but go down the more secure track of recruiting an older worker.'* Veolia have successfully turned this challenge into an opportunity, by launching a mentoring scheme that offers development opportunities for older workers and more support and guidance for younger workers. *'We used this scheme to sell our campaign to bring in young people to managers,'* explains Wordsworth.

Studies show that employers frequently cite a number of 'soft' benefits, often generated by the responsibility entrusted to staff members in mentoring and managing work experience placements. These typically include improved employee motivation, competencies and retention (Trebeck 2007).

Again, linking this to an overall strategy is helpful in terms of getting buy-in. At least this is the experience from Veolia, where HR talked to managers about the overall issue they have in terms of the ageing workforce. Managers need to see the strategy behind this, which will help them to understand how important this is and why. This is particularly important when recruiting young people coincides with redundancies and budget cuts. This was the case at West Sussex County Council, which committed to set up an apprenticeships programme because it recognised the value they could bring to their organisations: *'Our first challenge was to convince managers across the organisations to take on apprentices. We had to explain to them why we made this commitment despite budget cuts. But once this was overcome we soon had many applications for various roles and our apprenticeships programme has been a great success, for the council as well as for our local community,'* explains Elizabeth Flegg, Employment and Skills Consultant at West Sussex County Council. *'What has also helped us to get buy-in from our workforce is that many of them are parents themselves, who worry about youth unemployment, so talking about how our apprenticeships programme can help young people to enter the labour market has helped us to get their support.'* Sharing success stories about young people that have progressed is another important point as well as having an organisation-wide conversation about how rewarding it can be to help young people.

The importance of sharing a powerful vision about what young people can bring to the organisation is also something that Telefonica sees as key to securing buy-in: *'The key to success is in the story you tell and the vision you paint. At Telefonica we said that we live in a different world and that this world will be very different in the years to come and that we need to do something to be ready for that,'* says Ann Pickering about her experience convincing senior colleagues at Telefonica to significantly step up their investment in younger workers.

The NHS has identified over 80 job roles that can be undertaken by apprentices, but they were so concerned about negative attitudes towards young people, particularly those aged 16–18, that they produced a 'myth buster':

'There is a common belief that young people don't have the right behaviour, but this is not true,' argues Elizabeth Eddy, Head of Skills at the NHS: *'Take for example confidentiality; young people understand the risks of data-sharing because of their social networking activities. They don't want to have their data shared so you just need to translate that in a clinical context and they understand.'*

The NHS 'myth buster' thus addresses some of the most common myths around young people in a clinical setting, and provides managers with advice and additional resources, for example on how to foster trust.¹

MANAGING YOUNG PEOPLE – FROM RISK TO INVESTMENT

At the beginning of this report we talked about negative employer perceptions about young people. We've also looked at the evidence that shows how many employers expect young people to be work-ready and do not think they have a role to play in developing young people. Interestingly, what emerges from our employer research, however, is that those employers that do invest in young people don't share that view.

Our *Learning to Work* survey (CIPD 2012c) shows that those employers who recruit young people are overwhelmingly satisfied (91%) with their young recruits. This is also confirmed by our qualitative research, where we found that once employers overcome their initial reluctance to engage with young people, they value their young workers very highly and are satisfied with the returns on their initial investment. This is due to two key issues:

First, many of the perceptions around young people's skills and attitudes are not reflecting the reality, so once the employer is in contact with the young person, they overcome this prejudice and conventional wisdom as just that.

Second, those employers that successfully employ young people don't expect them to be 'work-ready'. They accept that this is an unrealistic concept and they see themselves as having a role in developing and building young people's work-readiness. They know that they need to put in more time and effort when managing young people at the beginning:

'Young people need a lot of management and support. They are not work-ready, but once nurtured and supported, they come out really strong,' says Karen Walker, Head of Resourcing at Greggs, explaining that their business focuses on the individuals and that they are looking at 'longevity' rather than 'quick wins'.

Employers also acknowledge that you can only expect to get what you put in: *'The more effort you put into the process, the better the return,'* explains Jennifer Lee from Jurys Inn, saying

¹ [nhsemployers.org/RECRUITMENTANDRETENTION/DOMESTICRECRUITMENT/PATHWAYS-TO-EMPLOYMENT/Pages/HealthSectorApprenticeshipMyths.aspx](https://www.nhs.uk/employers.org/RECRUITMENTANDRETENTION/DOMESTICRECRUITMENT/PATHWAYS-TO-EMPLOYMENT/Pages/HealthSectorApprenticeshipMyths.aspx)

that from her experience it is important to have 'an HR manager or a general manager who understands how to manage young people and the slightly different needs they might have'. This may include giving them a second chance through some coaching (for example understanding when they arrive late for an interview). This is confirmed by Dean Shoemith, who was keen to emphasise that for the business benefits of apprenticeships to be realised, it is essential that the young apprentices receive good line management:

'You probably need a manager who is going to give a bit more support and guidance in recognition that they are fresh out of school,' he commented. He also recommended using managers that have managed young people as 'champions' to convince their colleagues: *'It is worth providing additional advice and guidance for managers and having some management champions for apprentices who can say "I've recruited apprentices and these are the benefits".'*

Employing young people to grow your own workforce can also lead to a virtuous cycle where those who have progressed through the organisation are more likely to help and understand the needs of those coming in via similar positions. Jurys Inn has a very high proportion of young people with very good progression routes: 80% of their managers started in entry-level jobs themselves, so they are very open to managing young people and providing opportunities: *'Managers are focused on potential. They keep an eye on our junior staff and recommend further training if appropriate to make sure they are ready for supervisor positions when any openings come along,'* says Jennifer Lee.

ENGAGEMENT WITH SCHOOLS

Employer engagement with young people needs to start early, ideally much before they enter the labour market. Indeed, employer contact at school is very important; evidence shows (Mann 2012a) that the more contact young people have with employers, the better their chances of finding themselves in employment: it helps young people to find out more about the working world, can give insight into what careers and jobs are available and what they need to do to get there. This helps young people's employability – something we've seen is very important for employers. We asked employers if they think that the young people they have recruited over the past year did not have adequate career guidance: over half (53%) agreed with that statement and even more think (63%) that the young people they recruited lacked an insight into the working world (CIPD 2012c).

So there are definitely gaps that need filling. Crucially, young people tend to listen more to employers than to teachers or parents, so their interventions, such as careers talks, work tasters, and advice and guidance, can be very powerful. Employers themselves think that more engagement with education is important: two-thirds said they think they need to get more involved in education. There is also a clear correlation between employers that are already engaging with young people through links with schools and colleges and those that

are intending to recruit young people in the next year. In terms of what employer engagement with schools should look like, employers think they could help to:

- offer career insights talks by visiting schools (61%)
- provide work experience and internship placements (71%).

We also asked what employers are doing already to work with pupils:

- Two-thirds provide work experience placements.
- Almost half arrange workplace visits.
- Almost half of respondents have gone into schools to talk about their job.
- A third of organisations have arranged job-shadowing in the last year.
- Three in ten report that employees have volunteered to be school governors.

Employer engagement in schools not only helps prepare young people for work, but it also helps employers to build their profile as an employer of choice and attract the right people:

'Employers need to throw open their doors and advertise what they do. If they don't, they are not going to get the best young workers,' argues Graham Schuhmacher, Head of Development Services at Rolls-Royce. Rolls-Royce works with children and young people of all ages, starting as early as year 5, to engage them in science-related activities. A priority is to encourage more girls to take science and maths related subjects. Rolls-Royce is also very active in secondary schools and universities to advertise what they do, so that when people do apply they know quite a bit about the organisation already and they are applying for the right reasons. Barratt is another organisation that starts their engagement with young people at an early age, by going into schools and colleges, attending careers fairs, working with sub-contractors in changing perceptions and building up an appetite for a career in the construction industry. For Sky, building what they call 'life skills' and raising aspiration among young people is also very important. The organisation just launched its Sky Skills Studio (skills.sky.com), where they provide a taster to young people aged 8–18 of what it is like to work and how this relates to what they are doing in school.

The Education and Employers Taskforce works with employers to foster engagement in education. Their Inspiring the Future initiative (inspiringthefuture.org) matches volunteer employers with state schools and colleges to give career insight talks. This initiative is supported by many employers, including the NHS and Deloitte.

4 WHAT SUPPORT DO EMPLOYERS NEED TO BRING IN MORE YOUNG PEOPLE?

Over the course of this research we have looked at what employers do and don't do in terms of their engagement with young people. As mentioned in the Introduction, the key focus of the CIPD's Learning to Work campaign is to encourage employers to step up their investment in young people. Clearly, employer bodies such as the CIPD have a role to play in supporting employers. Throughout our research we have found an 'intention to delivery' gap (what employers say they could/should be doing compared with what they are actually doing) among employers that needs to be bridged. Many organisations need support to become more youth-friendly and the CIPD will support employers by providing practical advice and guidance on these issues. However, the Government also has a role to play in supporting employers in their engagement with young people. Indeed, a majority of employers surveyed in our *Learning to Work* survey (CIPD 2012c) thought that the Government could do more to help them take on young people (65%).

We asked employers about their views on government support in this area and what more could be done. The key issues that emerged are:

- **a more joined-up skills and employment system of support for young people**
- **more direct support for taking on young people**
- **better career guidance for young people, in particular about alternatives to university education, such as apprenticeships.**

A MORE JOINED-UP SKILLS AND EMPLOYMENT SYSTEM OF SUPPORT FOR YOUNG PEOPLE

The Coalition Government has made a commitment to tackle youth unemployment, both in terms of addressing the immediate as well as longer-term structural issues. In April 2012 it launched a package of policy options, the Youth Contract, which includes incentives for employers to train and to take on young people.

However, a key issue for employers is that there is a raft of initiatives that sit across different government departments but that is not joined up, making it very difficult for employers and young people to navigate the support landscape. Indeed, a clear majority of employers (61%) believe that government support to recruit young people is too fragmented, with only a small minority (17%) believing it is joined up (CIPD 2012c).

Although the Government's participation strategy outlined what a more joined-up approach could look like, responsibilities and initiatives around young people are split across the Department for Work and Pensions (DWP) (responsible for support for young jobseekers), the Department for Business, Innovation and Skills (BIS) (responsible for apprenticeships (for those aged

19 and above)) and the Department for Education (DfE). As a result, employers as well as young people can often struggle to navigate the policy environment and the support available. A priority for the Government, if it wants to support employers in their investment in young people, must be therefore to promote more joined-up thinking around a single youth agenda.

MORE DIRECT SUPPORT FOR TAKING ON YOUNG PEOPLE

We asked employers in our *Learning to Work* survey (CIPD 2012c) about their awareness of the incentives offered in the Youth Contract and whether they intend to make use of them. There is a reasonably good awareness of the Youth Contract Subsidy (48%), but only a minority (17%) said they are likely to use it (although that could be quite a lot in terms of employers taking on young people). We also asked them what they think about financial support to recruit young unemployed people: a majority think it is key, although about a quarter are ambivalent. The relatively low intention to use the incentives could mean two things: that financial incentives are not enough to convince employers to take on young people, in particular within a context of low demand in the labour market, and/or that those who take on young people would do so anyway.

We explored the issue further in our qualitative research and one of the suggestions coming back is that government support should be more targeted on the barriers to bringing in young people. One of the key barriers, as we saw earlier in this report, is the issue around management and pastoral care. So one suggestion put forward by employers is to focus government support on providing a designated support person, providing pastoral care for this in organisations. There seems to be a general employer appetite to receive more support (not necessarily financial) and more tailored advice and guidance on how to engage with young people, rather than just simple recruitment subsidies.

BETTER CAREER ADVICE AND GUIDANCE IN PARTICULAR FOR ALTERNATIVES TO UNIVERSITY EDUCATION

As we saw earlier, many employers are thinking about increasing or improving their current apprenticeships offer and many employers say that they want to provide more alternatives to university education (CIPD 2012c). They have realised that this will help them to get the skills they need. While there has been huge government commitment and support for employers in this area, the same cannot be said for career guidance at school, which often does not promote these pathways.

Offering more and better apprenticeships and improving vocational education and training is an important tool for improving education-to-work transition. Evidence from

other European countries shows that those that have better apprenticeship systems also have lower rates of youth unemployment. This is because young people have a 'softer landing' in the labour market; they are not expected to immediately enter work with all the employability skills that are required to be effective in the workplace. Furthermore, young people are exposed to contact with employers early on, which, as we saw earlier, is crucial. But in the UK we have focused on increasing higher education without a parallel focus on improving alternatives to university education, such as good vocational education and training (VET). Instead, we have seen a lack of recognition of intermediate skills, which has resulted in a vicious circle where a negative image of vocational education and training does not attract the brightest and best, thus reinforcing the perception of a route for those who don't succeed – or 'other people's children' – and with low employer engagement. This may be about to change, as our research demonstrates there is a change of employer behaviour in this area; however, advice provided to pupils, teachers and parents needs to follow suit.

Indeed, it seems that education systems, with their intention to achieve the best possible outcome for pupils but without up-to-date information on career opportunities, sometimes contribute to limitation of opportunities for young people. This is at least the experience of Deloitte, which decided last year that it was too short-sighted to focus purely on graduates in their intake of young people, as university education may not always be the preferred choice or option for a number of A-level students. So the company introduced 'BrightStar', its five-year school-leavers' scheme. This aims to significantly expand the career opportunities available to these students while allowing them an early start in their professional career. The intention is to attract bright school-leavers onto a combined programme of study and work experience which will culminate in a professional qualification. The programme has been reasonably successful, but the company has not received as many applications as they had hoped:

'I think this due to a disconnect between the information about career opportunities pupils receive at school, compared with the opportunities on offer,' argues Valerie Stevenson, HR Director at Deloitte. 'Sometimes teachers are not the best advisers, as they provide more advice and guidance about university education than alternatives, which is disappointing.'

Deloitte has also looked into developing an apprenticeships programme, in the IT and corporate area, but *'with no luck so far, as we struggle to find the students for this,'* explains Valerie, *'but we will persist and not give up, because it's very important for us to have a more diverse workforce.'*

This is echoed by some research the CIPD did within the context of our CIPD Steps Ahead mentoring scheme, where our members, HR professionals, volunteer to provide advice to young jobseekers.² We've asked a sample of mentors (HR professionals) and mentees (young jobseekers) about their views on careers advice and guidance, in particular about how well they were informed about alternatives to university education. A majority of respondents said they (or their mentee) had not received any or very limited advice on this, with most ignorant about the apprenticeship offer. For most young people, there seems to have been only two choices: work or university.

Looking in depth at careers advice and guidance is beyond the scope of this report. However, it is clear that there are some issues around the lack of consistency of good advice and guidance about career choices for pupils, in particular about alternatives to university education such as apprenticeships. This needs to improve if we want more young people to have access to the labour market.

² To find out more please visit: cipd.co.uk/publicpolicy/mentoring-steps-ahead-initiative.aspx

CONCLUSION

Our research has highlighted the key benefits for employers to invest in young people, put forward by employers that already engage with young people in a variety of ways. Above all, recruiting young people helps employers to build their talent pipeline and future workforce. Organisations also benefit from the unique skills young people have and their enthusiasm, energy and flexibility. By investing in young people, businesses save the cost of buying in talent and a more diverse workforce helps them to better understand and serve their customer base. All of this gives organisations that are more youth-friendly a key advantage over their competitors, as our case studies have demonstrated.

Many more organisations think they need to do more to step up their engagement with young people. To turn this goodwill into action, we need to do two things: first, help those who believe in the business case for employing young people to disseminate that knowledge so it becomes mainstream thinking for all those that make recruitment decisions. Second, we need to highlight ways in which all organisations can step up their level of engagement with and investment in young people.

Those are the key objectives of the CIPD's Learning to Work campaign. Having established the business case for employer investment in young people, we will now continue our work with employers and wider stakeholders in this area to develop a concrete package of actions that employers can take to help prepare young people for work and make the labour market more youth-friendly. This element of the campaign will include advice and support for employers on how to develop more routes into organisations and create more entry level jobs, as well as how to develop a strategic approach to workforce planning that includes a focus on 'growing your own'. It will also highlight the options for employers in engaging with young people, for example, visiting schools to talk about the reality of work and the career opportunities available in different sectors. The campaign will also champion the CIPD's Steps Ahead Mentoring scheme for young unemployed people being rolled out across the UK.

The CIPD believes the campaign can contribute to a mindset shift among employers that are not already looking to invest in young people and help address some of the structural elements of high youth unemployment that persists in good as well as bad economic times.

LEARNING TO WORK ADVISORY GROUP

The CIPD's Learning to Work initiative is supported by an advisory group that provides input to the initiative. The members of this group are listed below:

- Stefan Baskerville, London Citizens
- Kate Bellow, O2-Telefonica UK
- Claire Coghill, Waltham Forest Council
- Matt Creagh, TUC, Unionlearn
- Michelle Cuomo, Greater London Authority
- Jane Daly, Marks and Spencer
- Kelly Duncan, CIPD
- Elizabeth Eddy, NHS Employers
- Matthias Feist, Regent's College and PlaceNets
- Jo Fox, BSkyB
- Laura Harrison, CIPD
- David Hodges, London Chamber of Commerce and Industry
- Derek Kozel, Young Chamber
- Tess Lanning, IPPR
- Neil Lee, the Work Foundation
- Alan MacKinnon, Transport for London
- Anthony Mann, Education and Employers Task Force
- David Massey, UK Commission for Employment and Skills
- Nicola Moore, London Youth
- Verity O'Keefe, EEF
- Ann Pickering, O2-Telefonica UK
- David Pollard, Federation of Small Businesses
- Fiona Rawes, BITC
- Dean Shoesmith, London Borough of Sutton and Merton
- Kate Shoesmith, City & Guilds
- Val Stevenson, Deloitte
- Nikki Wade, The Prince's Trust
- Jo Ward, Nestlé
- Claire Warren, PM magazine
- John Wastnage, BCC
- Emma Wordsworth, Veolia

Please note that the membership of the group is evolving and that some of the members were not part of the group when this research was carried out. For more information about the advisory group and to get involved in the CIPD's initiative, please contact Katerina Rüdiger on k.rudiger@cipd.co.uk

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