



# Employers' Views on Youth Literacy and Employability

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In 2013, the National Literacy Trust and the All Party Parliamentary Group on Literacy are holding a joint commission to examine the links between young people's literacy skills and employment in the UK. After hearing evidence from a range of stakeholders, a final report will make recommendations about how the employment options of young people in the UK can be boosted by improving their literacy.

This report<sup>1</sup> looks at whether employers think schools are equipping young people with the literacy skills required for the workplace. It is primarily based on secondary literature sources and introductory conversations with a small sample of key employers and agencies (see bibliography for both). A complementary report presents evidence on young people's views on literacy and employability.

The importance of functional literacy skills in the workplace is universally acknowledged. It is equally obvious – from both conversations and literature – that, nationally, literacy skills are not at the level some employers would desire. Many believe that school leavers have inadequate skills in spelling, punctuation and grammar, the ability to research, redact and communicate information, the ability to produce appropriate business correspondence, and verbal and written communication in general. In other words, some employers feel that schools are not equipping young people with the literacy skills they require to be employed. By extension, young people are not leaving school with adequate general employability skills.

What is less clear, perhaps, is the level to which this has improved or worsened in recent years; whether the effect is magnified in the case of pre-existing employees or new school leavers; whether greater interaction with technology lessens or worsens literacy problems; whether the approaches of successive governments have had the desired impact at the pace sought. This brief report will attempt to pull together some information from the last decade to highlight some key areas for further investigation.

While this work is focused on literacy, the comments made can almost equally be applied to numeracy. There is evidence to suggest that issues with inadequate functional numeracy are even greater. However, it is certainly arguable that literacy provides an even more substantial underpinning to all other employability skills.

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<sup>1</sup> This report was written by Emma Macey, Senior Research and Project Officer to the Private Secretary, Household of TRH The Prince of Wales and The Duchess of Cornwall, Clarence House, who kindly volunteered her time.

## Functional literacy, employability skills and the workplace

To be functionally literate, the CBI's 2006 report, *Working on the Three Rs: Employers' Priorities for Functional Skills in Maths and English*, states<sup>2</sup> an individual must be able to:

- read and understand basic texts – drawing out relevant information
- construct properly spelt, grammatically correct writing that is suitable for the audience
- write with legible handwriting
- understand oral communications and react appropriately
- be sufficiently articulate to communicate orally.

The CBI defines employability skills as<sup>3</sup>:

- self-management – readiness to accept responsibility, flexibility, time management, readiness to improve your own performance
- team working – respecting others, co-operating, negotiating/persuading, contributing to discussions
- business and customer awareness – basic understanding of the key drivers for business success and the need to provide customer satisfaction
- problem solving – analysing facts and circumstances and applying creative thinking to develop appropriate solutions
- communication and literacy – application of literacy, ability to produce clear, structured written work and oral literacy, including listening and questioning
- application of numeracy – manipulation of numbers, general mathematical awareness and its application in practical contexts
- application of information technology – basic IT skills, including familiarity with word processing, spreadsheets, file management and use of internet search engines.

However, in its report of November 2012, *First steps: A new approach for our schools*, the CBI argues that “employability skills” may be a misleading term as it implies they can be taught as a separate element within the curriculum, rather than being a set of behaviours that can only be developed over time through a young person's progression.<sup>4</sup>

While it is clear that young people cannot possess a strong set of employability skills without an adequate level of literacy, there is also the question of whether schools provide young people with the wider skills they require to enter the working environment. This is perhaps particularly relevant in light of the abolition of compulsory work experience during Year 10, the development of a new National Careers Service, the development of new National Curriculum requirements, the proposed raising of standards within GCSEs and the outcomes of the Richard Review of Apprenticeships, among other factors.

### What do employers think?

*“Educational standards – including the core skills of literacy and numeracy on which acquisition of so many other skills depend – and enabling young people to make an effective transition into working life have long been concerns for employers. Only if these are effectively addressed can young people begin to use their other skills and abilities to contribute in the workplace. This issue has gained added urgency against the background of high unemployment among young people.”<sup>5</sup>*

<sup>2</sup> And is re-iterated in CBI publications thereafter: this list is taken from the 2011 CBI *Education and Skills Survey*, [http://www.cbi.org.uk/media/1051530/cbi\\_edi\\_education\\_skills\\_survey\\_2011.pdf](http://www.cbi.org.uk/media/1051530/cbi_edi_education_skills_survey_2011.pdf)

<sup>3</sup> p.23., *Ibid*

<sup>4</sup> *First steps: A new approach to schools*, CBI, 2012,

[http://www.cbi.org.uk/media/1845483/cbi\\_education\\_report\\_191112.pdf](http://www.cbi.org.uk/media/1845483/cbi_education_report_191112.pdf)

<sup>5</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012

Department for Education statistics for England show considerable improvement in the number of students gaining five or more A\*-C GCSE passes, including English and mathematics, over successive years. In 2005, 44.7% of pupils obtained this level, increasing to 59.9% in 2012.<sup>6</sup>

Even against the backdrop of complaints over falling standards, this statistic appears impressive, particularly when bearing in mind that the overwhelming majority of young people in the UK are more qualified than their parents or grandparents,<sup>7</sup> but statistics indicating employers' satisfaction levels do not keep in step with this rise in achievement of Level 2 qualifications.

In 2003, the CBI employment trends survey indicated that 34% of employers were unhappy with the basic skills of school leavers. The 2012 data shows 35% dissatisfaction with literacy and 30% with numeracy<sup>8</sup> (although these figures are down from the 2011 survey at 42% and 35% respectively<sup>9</sup>). Employers have placed literacy as the second highest priority for those teaching 14 to 19-year-olds (50%, after 71% for employability skills, with numeracy featuring third with 45% and communication skills fourth at 42%).<sup>10</sup>

The level of concern about basic literacy skills varies between sectors – it hits a peak in the public sector, with 73% of those questioned expressing concern, compared with 67% in construction (health and safety reports are an issue of substantial concern), 62% in retail and hospitality, 58% in manufacturing, 44% in engineering, IT and science and 42% in professional services. In every sector, this is equal to or greater than concerns about basic numeracy skills (with the exception of the public sector), although IT concerns beat both across the board.<sup>11</sup>

The CBI survey is considered to be the foremost current measure of employer satisfaction and is clearly highly regarded by the Government and all external providers in this regard. It provides representation of a substantial sample (2012 figures: 542 employers, collectively employing c.1.6 million people, equivalent to 6.4% of all employees in the UK). Another strong source is the UKCES Employer Perspectives Survey – the 2012 survey was the second in a series of biennial surveys and involved 15,004 telephone interviews with employers.

Recent literature and anecdotal evidence on this subject indicate that employers are not content with the level of proficiency with spelling, punctuation and grammar possessed by school, college and university leavers. Similarly, employers feel that young people do not possess the key employability skills that make them ready for the world of work.

As such, 42% of employers reported providing remedial training for young people joining from school or college, 20% of which has been in the area of literacy (with similar proportions in the case of numeracy (18%) and IT (23%). Among university graduates, the percentage of remedial training falls to 26% with 6% focused on literacy.<sup>12</sup>

Poor communication skills are also hampering the ability of young people to obtain a job. Among other issues such as a lack of confidence and understanding of employer expectations,

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<sup>6</sup> [http://www.education.gov.uk/inyourarea/results/nat\\_921\\_gors\\_3.shtml](http://www.education.gov.uk/inyourarea/results/nat_921_gors_3.shtml)

<sup>7</sup> *Engaging Employers in Tackling Youth Unemployment*, CIPD Discussion Paper, Katerina Rüdiger, May 2012, [http://www.cipd.co.uk/binaries/5835%20Learning%20to%20work%20\(WEB\).pdf](http://www.cipd.co.uk/binaries/5835%20Learning%20to%20work%20(WEB).pdf)

<sup>8</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012, [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

<sup>9</sup> *Building for growth: business priorities for education and skills*, CBI Education and Skills Survey 2011, [http://www.cbi.org.uk/media/1051530/cbi\\_edi\\_education\\_skills\\_survey\\_2011.pdf](http://www.cbi.org.uk/media/1051530/cbi_edi_education_skills_survey_2011.pdf)

<sup>10</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012 [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

<sup>11</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012 [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

<sup>12</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012, [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

poor written communication was mentioned as a barrier – for example, business emails might be written in text-speak.<sup>13</sup>

A couple of respondents to this review advised a note of caution when using this data, arguing that if employers are asked directly about satisfaction levels with literacy and other skills it is likely that the response rate will appear more negative than their actual experience. A case in point is the significant percentage who are dissatisfied with the literacy levels of graduates (15% in 2012). Does that mean that we have a generation of illiterate graduates? Of course not, but it does indicate that what young people are being taught at school, in further education and in higher education does not necessarily match up with what employers want.

The recent CIPD study, *Employers are from Mars, Young People are from Venus*<sup>14</sup>, argues that it is not just the work-readiness of young people that should be tackled but also the expectations of employers. Employers responding to CIPD's *Learning to Work Survey*<sup>15</sup> point to inadequate work experience (57%) and careers guidance (53%) leading to a lack of insight into the working world (63%) which leads to disadvantage in today's labour market (47%). Interestingly, the CIPD survey has a high satisfaction rate in the overall performance of young recruits over the last 12 months (91%), although it is worth recording the CIPD's observation that those who employ young people tend to be more positive about them than those who do not and who are more inclined to negative perceptions.<sup>16</sup>

The UKCES Employer Perspectives Survey 2012 highlighted that while only 27% of all establishments have recruited young people (62% of those recruiting) this is more indicative of a lack of recruitment in general. The survey also shows the benefits of recruiting young people as reported by employers: an ability to be moulded (32%), their enthusiasm (30%) and willingness to learn (20%) – as well as the barriers: lack of experience (29%), lack of skills (23%) and lack of qualifications (15%). However, the biggest barrier of all was reported to be a lack of applications from young people (40%).<sup>17</sup>

UKCES data on literacy and numeracy differs substantially from the level of concern reported in the CBI *Education and Skills Survey*: only 5% of recruiters cited 16-year-old school leavers as poorly or very poorly prepared in terms of literacy and numeracy, decreasing to 3% of 17 to 18-year-old school leavers, 2% of college leavers and only 1% of those who have completed higher education. In terms of employer concerns about specific skills, literacy stands at 29% (numeracy 26%) but with softer skills being of more concern to employers (job specific skills 66%, planning and organisation skills 41% and problem solving skills 37%, by way of example). However, 33% expressed concern about written communication skills and 38% regarding oral communication skills.<sup>18</sup>

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<sup>13</sup> *Employers are from Mars, Young People are from Venus: Addressing the Young People/Jobs Mismatch*, Katerina Rüdiger, Chartered Institute of Professional Development, April 2013, <http://www.cipd.co.uk/binaries/MarsVenus%20FINAL%2030%2004%2013.pdf>

<sup>14</sup> *Employers are from Mars, Young People are from Venus: Addressing the Young People/Jobs Mismatch*, Katerina Rüdiger, Chartered Institute of Professional Development, April 2013, <http://www.cipd.co.uk/binaries/MarsVenus%20FINAL%2030%2004%2013.pdf>

<sup>15</sup> *Learning to Work: Survey Report*, Chartered Institute of Professional Development, September 2012

<sup>16</sup> *Engaging Employers in Tackling Youth Unemployment*, CIPD Discussion Paper, Katerina Rüdiger, May 2012, [http://www.cipd.co.uk/binaries/5835%20Learning%20to%20work%20\(WEB\).pdf](http://www.cipd.co.uk/binaries/5835%20Learning%20to%20work%20(WEB).pdf)

<sup>17</sup> *UK Commission's Employer Perspectives Survey 2012*, Shury, J., Vivian, D., Gore, K., Huckle, C. and Belt, V., <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-64-ukces-employer-perspectives-survey-2012-full-report.pdf>

<sup>18</sup> Davies, B., Gore, K. Shury, J., Vivian, D., Winterbotham, M., and Constable S., UK Commission's Employer Skills Survey 2011: UK Results, Evidence Report 45, July 2012, <http://www.ukces.org.uk/assets/ukces/docs/publications/ukces-employer-skills-survey-11.pdf>

## Apprenticeships and vocational careers

*“If the UK is to achieve a world class skills base, it must aim for world class attainment among young people. It is unacceptable in the 21st century in the fifth richest economy in the world that young people should leave school unable to read, write and add up. Yet over one in six young people in England do. The UK must avoid a new generation of people leaving school without basic skills.”<sup>19</sup>*

*The Leitch Review of Skills (2006)*

*“The UK (including England) is effectively unique in not requiring continued mathematics and own-language study for all young people engaged in 16-19 pre-tertiary education.”<sup>20</sup>*

*The Wolf Review of Vocational Education (2011)*

*“Mathematics and own language skills are central to vocational success and educational progress. In England, Maths and English GCSEs (A\*-C) have become the key indicators of acceptable levels of attainment, used by gatekeepers to sift, select, and determine access. The importance of these subjects has been recognised for decades; and yet English education continues to be unique in the most dysfunctional of ways.”<sup>21</sup>*

*The Wolf Review of Vocational Education (2011)*

*“Apprenticeships should attract some of the best students, including those who have already excelled in maths and English at school. But, for those who have not yet reached a good level by the time they start, Apprenticeships must include maths and English. Achieving a good level of maths and English, a more stretching level than many apprentices currently attain, should be a pre-requisite for completion. There are certain skills that predicate success in modern society.”<sup>22</sup>*

*The Richard Review of Apprenticeships (2012)*

What would appear to be a consistent trend is a concern that Level 2 qualifications, GCSEs in particular, do not contain as substantial an element of functionality as would be needed to improve the work-readiness of school leavers. An HR Director at Boots Opticians recounted an example of a maths Masters graduate failing Functional Skills Level 2 because it takes such a different approach to more academic routes. This was echoed by a representative from BT and others in the room.<sup>23</sup>

This also fits with a general feeling in the UK that vocational careers are a secondary route, designed for those who are less academically gifted rather than those who are equally talented but in a more practical sense. This differs dramatically from a number of countries that continue to outstrip the UK in OECD surveys of literacy and numeracy. Countries such as Germany and Switzerland provide a particularly strong case in point.

The Leitch Review of Skills (2006), the Wolf Review of Vocational Education (2011) and the Richard Review of Apprenticeships (2012) all help to underline this point. Underlying this is a general feeling shared by employers that what young people learn in the classroom is not relevant enough to the skills they require to be employed. Of course, there is nothing new about this revelation, as was indeed commented in the Leitch Review; Adam Smith’s *Wealth of*

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<sup>19</sup> *Leitch Review of Skills: Prosperity for all in the global economy – work class skills*, Lord Leitch, December 2006, [http://www.delni.gov.uk/leitch\\_finalreport051206\[1\]-2.pdf](http://www.delni.gov.uk/leitch_finalreport051206[1]-2.pdf)

<sup>20</sup> *Review of Vocational Education – The Wolf Report*, Professor Alison Wolf, April 2011, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/180504/DFE-00031-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf)

<sup>21</sup> *Review of Vocational Education – The Wolf Report*, Professor Alison Wolf, April 2011, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/180504/DFE-00031-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf)

<sup>22</sup> *The Richard Review of Apprenticeships*, Doug Richard, November 2012, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34708/richard-review-full.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34708/richard-review-full.pdf)

<sup>23</sup> BIS discussion on apprenticeships, 24th May 2013

Nations (1776) suggested that “the greater part of what is taught in schools and universities...does not seem to be the proper preparation for that business.”<sup>24</sup> All three recent reports underline the difficulties of the current qualification system, particularly in terms of vocational qualifications, with such a wide range on offer (181 apprenticeship frameworks available in England, with a further 100 under development; 11,775 “live” – i.e. eligible for public funding – vocational qualifications in August 2012<sup>25</sup>). Employers no longer know the value of most vocational qualifications, which devalues the currency of all of them – and, in turn, of apprenticeships – leaving GCSEs as the one remaining Level 2 “gold standard”.

Doug Richard’s review recommends phasing in compulsory completion of Level 2 English and mathematics as a pre-requisite for achieving an apprenticeship qualification. Employers attending the discussion on this aspect of the review at the Department for Business, Industry and Skills (24 May 2013) without exception felt this to be too heavy a burden on business. They were concerned they would need to recruit differently i.e. to ensure that apprentices would be able to pass the qualifications or already held them, and that potential talent might be lost. They were concerned that the timescale of an apprenticeship might be too short to achieve this, that the responsibility to get apprentices to this standard was that of the education system not theirs and that, ultimately, the time and financial cost to business would be too great to sustain this. Having said that, the aspiration of continuing the education of young people after completion of school or college to enable them to obtain a reasonable standard of literacy and numeracy, cannot be other than positive in raising the skills of young people and the UK’s workforce as a whole. As the Leitch review made plain, this is particularly relevant bearing in mind that the UK came 17th (out of 30 OECD countries) in terms of low skills, 20th in terms of intermediate and 11th in high skills. While the UK’s skills base has improved over recent years, the proportion of people with low or no qualifications is more than double that in Sweden, Japan and Canada.<sup>26</sup>

## School leavers versus existing employees

To return more directly to the subject of literacy, it is also worth looking at employers’ satisfaction levels with school leavers compared with existing employees. CBI’s *Education and Skills Survey* in 2012 shows that 56% of employers reported problems with literacy or the use of English among existing employees; of the 58% providing remedial training of some sort, 15% falls into the category of literacy. It appears there is little concentration on or incentivisation to improve the literacy levels of adults; introducing methodologies to get around a lack of literacy skills in the workplace is often a more commonly sought approach. As Professor Wolf’s *Review of Vocational Education* highlighted<sup>27</sup>, there are very few opportunities to take GCSEs after age 19 and emphasis in recent years has been upon a wide range of qualifications with a less solid grounding than GCSEs. Whether it is the most appropriate methodology or not, qualifications (GCSEs as the gold standard at Level 2) remain the most easily recognised and therefore most highly sought (by employers and individuals) measure of achievement and ability (with a majority of employers using this as a measure within recruitment, particularly when de-selecting candidates<sup>28</sup>). Therefore, post-19 arrangements need to be tackled as well as ensuring that school leavers have the requisite skills. As the Leitch Review pointed out, 70% of the 2020 workforce had already completed their compulsory education by 2006.

<sup>24</sup> *Leitch Review of Skills: Prosperity for all in the global economy – work class skills*, Lord Leitch, December 2006, [http://www.delni.gov.uk/leitch\\_finalreport051206\[1\]-2.pdf](http://www.delni.gov.uk/leitch_finalreport051206[1]-2.pdf)

<sup>25</sup> *The Richard Review of Apprenticeships*, Doug Richard, November 2012, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34708/richard-review-full.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34708/richard-review-full.pdf)

<sup>26</sup> *Leitch Review of Skills: Prosperity for all in the global economy – work class skills*, Lord Leitch, December 2006, [http://www.delni.gov.uk/leitch\\_finalreport051206\[1\]-2.pdf](http://www.delni.gov.uk/leitch_finalreport051206[1]-2.pdf)

<sup>27</sup> *Review of Vocational Education – The Wolf Report*, Professor Alison Wolf, March 2011, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/180504/DFE-00031-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf)

<sup>28</sup> *Employers are from Mars, Young People are from Venus: Addressing the Young People/Jobs Mismatch*, Katerina Rüdiger, Chartered Institute of Professional Development, April 2013, <http://www.cipd.co.uk/binaries/MarsVenus%20FINAL%2030%2004%2013.pdf>

Interestingly, UKCES data indicates that employers who take on young people plan training more frequently than those who do not recruit young people (84% against 78%) which indicates that employers who take on young recruits accept that training is a prerequisite in many cases.<sup>29</sup>

## Technology

Although there is concern about general levels of spelling, punctuation and grammar, there was not a strong view on an overt link to the increased use of technology from the people spoken with for this review. Some employers are reverting to handwritten applications to test the standard of applicants' English more accurately (and because the standard of handwriting is deemed as important); there are still fears that people other than the applicants themselves fill in the forms.

There was infrequent mention of the use of "text speak" as an issue<sup>30</sup> but much more frequent reference to young people not having a grasp of what it is appropriate or inappropriate in business communication<sup>31</sup>. While there are clearly legitimate concerns that young people do not always have the relevant skills to construct a formal business letter or email, some respondents felt that some of the skills sought were out-of-step with the way in which businesses operate today – a trend which is only likely to increase in the future. Therefore there is, arguably, a simultaneous issue of the expectations of senior (and, by implication, older) representatives in a company, who may look for skills based on what they themselves had had to learn before entering the workplace. These expectations may lead them to ignore the level of IT and other skills which many young people possess, or to judge school leavers based on skills that are no longer essential.

Technology provides another important dimension to this discussion, however, and that is the diminishing requirement for low-skilled jobs. Predicted labour market trends to 2020 see the growth of high-skilled managerial roles, expected to increase from 42% to 46% of the market (2 million extra jobs), with a continuing significant decline in skilled and semi-skilled manual jobs (400,000 of which are estimated to be lost in the same period). Similarly, administrative and secretarial roles are also set to decline by 400,000 as technology continues to replace their function. The caring and service sectors are the only areas seeing growth in lower skilled positions<sup>32</sup>. This trend will, of course, have the biggest impact on those who fall into the low-skilled sector, which by implication includes those with low levels of literacy. While we cannot, with any confidence, state that the number or proportion of school leavers with a low level of literacy is getting worse (and indicators point to the reverse), these statistics demonstrate that the situation for those with low levels of literacy in terms of employability is becoming more difficult and will only continue to do so. Therefore, even *if* schools are improving in terms of equipping young people with the literacy skills they need to be employed, there is an urgent need to do more to reach those who are still leaving school with inadequate literacy skills because their chance of employment is becoming ever-more remote. Set against the backdrop of considerable unemployment (20.5%) among 18 to 24-year-olds, this worrying trend only takes on greater significance.

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<sup>29</sup> UK Commission's Employer Perspectives Survey 2012, Shury, J., Vivian, D., Gore, K., Huckle, C. and Belt, V., <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-64-ukces-employer-perspectives-survey-2012-full-report.pdf>

<sup>30</sup> Although a Fairbridge Functional Skills tutor mentioned it was something she came across with a reasonable number of her mentees.

<sup>31</sup> A former HR Director at the London HQ of an international investment bank mentioned that senior partners frequently complained about the standard of English used by bright and highly-qualified new recruits. She felt it was perhaps more to do with a mismatch in expectations in today's marketplace rather than definitely an inadequacy on the part of the new recruits.

<sup>32</sup> *Working Futures 2010-2020*, Evidence Report 41, Revised August 2012, UK Commission for Employment and Skills, <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-41-working-futures-2010-2020.pdf>

In addition, the career aspirations of young people are shown to have very little in common with projected labour market demands for 2010-2020, which decreases the likelihood of a smooth transition from school to work.<sup>33</sup>

## Summary

There are other areas of investigation which did not directly fall into the remit of this paper but were mentioned by employers and agencies as areas of interest – namely, the importance of early intervention, especially in relation to mitigating the effects of deprivation; the role of parental responsibility in terms of providing a strong home learning environment<sup>34</sup>; and whether assessment methods lag behind both in terms of what children are learning and the way in which they are doing so, and also in relation to what employers are looking for from their employees of the future.

It is clear that employers require a basic level of literacy from all employees, and also that they remain unsatisfied with the general levels of literacy possessed by school leavers (although this is equally true of existing employees). Employers find that young people possess inadequate skills in spelling, punctuation and grammar, the ability to research, redact and communicate information, the ability to produce appropriate business correspondence, and communication in general. It is obvious that an individual cannot possess good employability skills without an adequate level of literacy.

Reading and writing remain the priority areas of assessment within the curriculum, but employers argue that speaking and listening are just as important for a large number of businesses. Speaking and listening also contribute significantly to what are defined more broadly as employability skills. While this area remains outside the assessment process, it is difficult to see how progress can be measured and perhaps even achieved.

While employers are generally willing to support off-the-job training, including remedial training in literacy and numeracy, many do not see it as their responsibility to deliver training or to ensure their employees reach an adequate standard. For example, at the BIS session the unanimous view of the employers present was to reject the recommendation of the Richard Review to phase in compulsory Level 2 qualifications to complete an apprenticeship. If the education system has not been able to provide a young person with Level 2 qualifications by the age of 16, why should employers be expected to fill the gap – particularly when employers are unclear of the value of qualifications and believe that an apprentice can be proficient in their role without the qualification? This is felt even more keenly by small businesses, which have fewer resources to invest in training. The Federation of Small Businesses has recommended: “As soon as practical, functional skills should be removed as a core element of the apprenticeship. Business expects functional skills, such as numeracy and literacy, to be delivered in schools”.<sup>35</sup> The FSB instead thinks that core literacy and numeracy skills should be an entry requirement to an apprenticeship, which would also raise public perception of the value of an apprenticeship. This may, in part, be indicative of evidence that suggests large companies value literacy and numeracy more highly than smaller companies (75% of large employers value good writing skills versus 68% of smaller businesses, according to the Council for Industry and Higher

<sup>33</sup> *Nothing in common: The career aspirations of young Britons mapped against projected labour market demand (2010-2020)*, UKCES, b-live, Education and Employers, March 2013, Mann, A., Massey D., Glover, P., Kashfedpadkel, E., and Dawkins, J., [http://micros.swindon-college.ac.uk/sites/micros.swindon-college.ac.uk/files/nothing\\_in\\_common\\_final.pdf](http://micros.swindon-college.ac.uk/sites/micros.swindon-college.ac.uk/files/nothing_in_common_final.pdf)

<sup>34</sup> Nina Mills of Balfour Beatty said she thought this was the biggest single factor – a child would be successful if their parents were sufficiently engaged, regardless of a school’s inadequacies; without this home environment, she felt that schools no longer provided a safety net whereby a child could receive a good education without external support as, in her experience through classroom interaction, there is not enough focus on the basics, such as spelling, punctuation and grammar.

<sup>35</sup> *The Apprenticeship Journey*, Federation of Small Businesses 2012, [http://www.fsb.org.uk/policy/assets/publications/fsb\\_2012\\_apprenticeships.pdf](http://www.fsb.org.uk/policy/assets/publications/fsb_2012_apprenticeships.pdf)

Education's research<sup>36</sup>). Either way, there is evidently a gap between assessment requirements and employment requirements which is not at present addressed.

Evidence<sup>37</sup> shows that many businesses are content to be involved with supporting schools (CBI: 57% of employers have links with secondary schools; 39% have increased their links in 2011-12; 20% have links with primary schools) but that they do not always know how best to approach this or how to make the experience valuable for young people (26% of employers said this was a barrier to forging links with schools and colleges)<sup>38</sup>. However, with brokerage support such as that offered by BITC's Business Class programme, businesses often engage successfully. Research by Dr Anthony Mann indicates that children who have four or more interactions with business people and careers activities at school are five times less likely to fall into the NEET category (not in education, employment or training) upon leaving school and earn, on average, 16% more than their peers<sup>39</sup>. Similarly, business interaction in the classroom can help to produce a better understanding of the value and purpose of learning for children than a normal classroom situation, especially in terms of literacy and numeracy. Businesses appear happy to provide this support – and see an independent value to their own employees, as well as fulfilling a CSR function – but draw a clear line in terms of responsibility, or lack thereof, for delivering what the education system is failing to provide. Similarly, businesses feel that employability skills drop in and out of the conversation too much in terms of Government education policy; a more constant presence would ensure that policies concerning education and employability begin to align.<sup>40</sup>

What is abundantly clear is that literacy and numeracy skills are required for a young person to be employed (particularly to be employed with access to future higher earnings); what is less definitively clear is whether basic skills are the primary factor holding back young people, or whether a lack of experience, preparation and overall employability skills is a more significant factor. Regardless of the answer to this question, the evidence is substantial enough to conclude that while schools are equipping the majority of young people with the literacy skills they require to be employed, there remains a large minority who leave compulsory education without these skills.

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<sup>36</sup> *Graduate Employability: What do employers think and want?*, The Council for Industry and Higher Education, Will Archer and Jess Davison, 2008, [www.cihe.co.uk/wp-content/themes/cihe/document.php?file...pdf](http://www.cihe.co.uk/wp-content/themes/cihe/document.php?file...pdf)

<sup>37</sup> CBI Skills Survey 2012, BITC experience, anecdotal evidence (e.g. Balfour Beatty, Rolls-Royce)

<sup>38</sup> *Learning to grow: what employers needs from education and skills*, CBI Education and Skills Survey 2012, [http://www.cbi.org.uk/media/1514978/cbi\\_education\\_and\\_skills\\_survey\\_2012.pdf](http://www.cbi.org.uk/media/1514978/cbi_education_and_skills_survey_2012.pdf)

<sup>39</sup> *It's who you meet: Why employer contacts at school make a difference to the employment prospects of young adults (February 2012)*, An article by Dr Anthony Mann, Director of Research and Policy, Education and Employers Taskforce,

[http://www.educationandemployers.org/media/15069/its\\_who\\_you\\_meet\\_final\\_26\\_06\\_12.pdf](http://www.educationandemployers.org/media/15069/its_who_you_meet_final_26_06_12.pdf)

<sup>40</sup> Anecdotal information from the BIS discussion on apprenticeships, 24 May 2013

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## Conversations

Janet Cooper, Early Language and Communication Programme Manager, Stoke on Trent City Council and Team Leader for Community Paediatric Speech and Language Therapy, Staffordshire and Stoke on Trent Partnership NHS Trust, Stoke Speaks Out  
20 May 2013

Nicola Swaney, Education Manager, Rolls-Royce  
21 May 2013

Grace Breen, Policy Adviser (Education and Skills), CBI  
24 May 2013

Nina Mills, Balfour Beatty  
24 May 2013

Fiona Murray, ex-CBI  
24 May 2013

BIS Session on Apprenticeships  
23 May 2013

Departmental Representation:  
Maria Wyard (DfE/BIS)  
Steve O'Neil (DfE)  
Catherine Paulson-Ellis (DfE/BIS)  
Benita Holmes (National Apprenticeship Service)  
Matthew Hancock MP (Minister for Skills) – for last 20 minutes

Business Representation:  
Ann Biddle (Whitbread)  
Ian Ferguson (Metaswitch)  
Karen Saunders (Cooper and Taylor Hair and Beauty)  
Chris Starling (Virgin Media Ltd)  
Bob Soper-Dyer (BT)  
Caroline Harvey (Boots Opticians)  
Maria Williams (Barchester Health Care)  
Paul Middleton (Barchester Health Care)  
Diane Adam (Kwik-fit GB Ltd)  
Paul Binks (Kwik-fit GB Ltd)  
Mike Thompson (Barclays)  
Anneke Parsons (Barclays)

Prince's Trust Meeting  
28 May 2013

Emily Hodges, Senior Head of Qualifications and Training  
Gemma Mullan, Literacy, Language and Numeracy Manager  
Julia Carlin, Head of Skills and Accreditation

Katerina Rüdiger, Skills Policy Adviser, CIPD  
28 May 2013

Caroline Brown, Education Manager, BITC  
14 June 2013

Nicola Aylward, National Institute of Adult Continuing Education, Project Officer  
17 June 2013

Mick Keay, Project Director, BT  
17 June 2013

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Patron: HRH The Duchess of Cornwall