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Large Employers and the Youth Labour Market Research: Executive Summary

We know that young people with a history of unemployment face a variety of long-term consequences, such as lower wages, inferior prospects and poorer mental health. Today, we find ourselves in a profoundly different world. The way we work, live and interact have irrevocably changed from just a few short years ago. But what hasn't changed is our innate need for purpose and the desire for a fulfilling future. Young people in particular are facing an array of obstacles when it comes to securing that future. Disproportionately impacted by the pandemic, the most vulnerable now have the greatest barriers to overcome to secure quality employment. And young people with a history of unemployment face a

variety of long-term consequences, such as lower wages, inferior prospects and poorer health.

Large employers can help break the vicious "no experience – no job, no job – no experience" cycle that many young people find themselves trapped in by engaging in youth employment programmes. And if they get it right, everyone benefits.

The Large Employers and the Youth Labour Market research report—commissioned by Movement to Work and Youth Futures
Foundation, and co-sponsored by Accenture and Sage—looks at how large employers engage with youth employment programmes and examines ways they can do it better and make a more meaningful impact.



Insights



Disproportionately impacted by the pandemic, young people are struggling to secure meaningful employment and are set to bear the associated long-term consequences, including lower wages, inferior prospects, and poorer mental health.



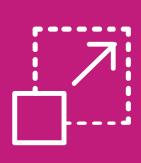
By engaging in youth employment programmes large employers can help break the vicious "no job – no experience" cycle that many young people find themselves trapped in. And if they get it right, everyone benefits.



Companies with strong C-suite buy-in, and a close alignment between HR, CSR and youth employment see the most success. This alongside having dedicated resources and the support of an intermediary organisation results in achieving greater value and a lasting positive impact for their businesses and the young people they are seeking to help.



While primarily motivated by the need to have a positive social impact, many organisations also want to maximise the corporate benefits associated with employing young people, including strengthening the talent pipeline and harnessing the power of diverse ideas, skills, and youthful enthusiasm.



To realise this value, organisations must address the cost and work-readiness challenges that often come with youth employment initiatives by scaling slowly, providing supervisors with adequate support and ultimately have realistic expectations.

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Employers that rely on the support and expertise of a trusted partner, such as an intermediary organisation, find the complexity of the youth labour market and government-funded schemes easier to navigate.

Why do it?

Before we delve into the associated challenges and benefits, it helps to understand what motivates organisations to engage in youth employment programmes in the first place. In recent years, global environmental and social challenges have encouraged business to offer more than just their product and services, but to commit to sustainable practices to support a healthier planet and happier society. Wether it be under the labels of Corporate Social Responsibility (CSR), Environmental, Social and Corporate Governance (ESG) or the UN Sustainable Development Goals (SDGs) — business have increasingly engaged in initiatives to help strengthen their communities. Youth employment programmes can therefore be a great way to bring these commitments to life.

While most employers are altruistically motivated, viewing youth employment as part of these strategies or just simply "the right thing to do", many are also pursuing tangible corporate benefits that can add real value to their business.

See next page for what these are...



Engaging in youth employment initiatives: Top benefits

01

Diverse ideas, people and skills

Our workforces must evolve to be more representative of the society we live in. Employing young people is seen as a great way of increasing diversity within the organisation. In this way, companies have access to an assortment of new ideas and skills. This can result in more innovative solutions and improved competitiveness.

02

Stronger talent pipeline

Stabilising resource for entry level roles is important for any business. Helping to secure and build the talent pipeline is the key benefit of schemes such as graduate recruitment and apprenticeships. Investing the time and money to train and develop young people can safeguard current and future needed skills, whilst also helping to generate a pool of talent for the entire sector.

03

Fresh energy and enthusiasm

Businesses should look to grow with the times. Young people bring a different energy to companies, helping to foster a positive atmosphere that boosts staff morale and retention. New ideas and diverse perspectives create a more innovative and productive environment by challenging norms and can bring a wider variety of skills into play.

04

Corporate Social Responsibility

Whilst most organisations don't have corporate responsibility objectives specifically aimed at engaging young people, many refer to Corporate Social Responsibility or a desire to support the local community as a reason for youth engagement. However, those that do have formal responsibility policies agreed that youth engagement helps them meet such objectives. The research indicates that when there's a greater alignment between HR led youth employment initiatives and CSR goals, better corporate outcomes can be achieved.



Aisah, IBM, Movement to Work Graduate YOUNG INSPIRED AND EMPLOYED

What's holding businesses back?

Whatever the reason for engaging in youth employment initiatives, most organisations can and should gain more value from these arrangements. To achieve this, obstacles need to be identified and addressed. The research identified two major challenges and the employers surveyed detailed the best way of overcoming these.

Challenges

Supervision time and cost: The most common cost relates to the supervision needed to oversee and support young people.

Solutions

- **Start small:** Limiting the number of opportunities initially and scaling up slowly will ensure young people have adequate levels of support and training.
- Clearly define roles: Providing defined roles and responsibilities ensures efficient time usage and enables better, more focused work.
- **Supervisor support:** Ensuring supervisors have the appropriate training and support is essential. Transparency around the benefits and the commitment required to oversee young placements is also vital.

Work readiness:

Young people can have an underdeveloped understanding of workplace culture and norms, a lack of confidence or attendance and behavioural issues can all arise due to lack of work readiness.

- Intermediary organisations: Organisations such as Movement to Work and The Prince's Trust, can provide expert support, best practices and help with recruitment, especially when targeting the disadvantaged reducing the organisational burden and increasing the chances of hiring motivated and diverse young people.
- **Be flexible:** It's important to have realistic expectations of young people and accept that they are inexperienced. Businesses should be flexible and supportive, ensuring placements have the skills needed to succeed.
- Mentoring and buddy schemes: Colleagues can help with skills development (e.g., providing emotional support and additional training), reducing the likelihood of young people not settling in or performing well.

Ref. Table 1. Understanding and overcoming the challenges of youth engagement programs – see <u>Large Employers and the Youth Labour Market Research</u>



What does it take to do better?

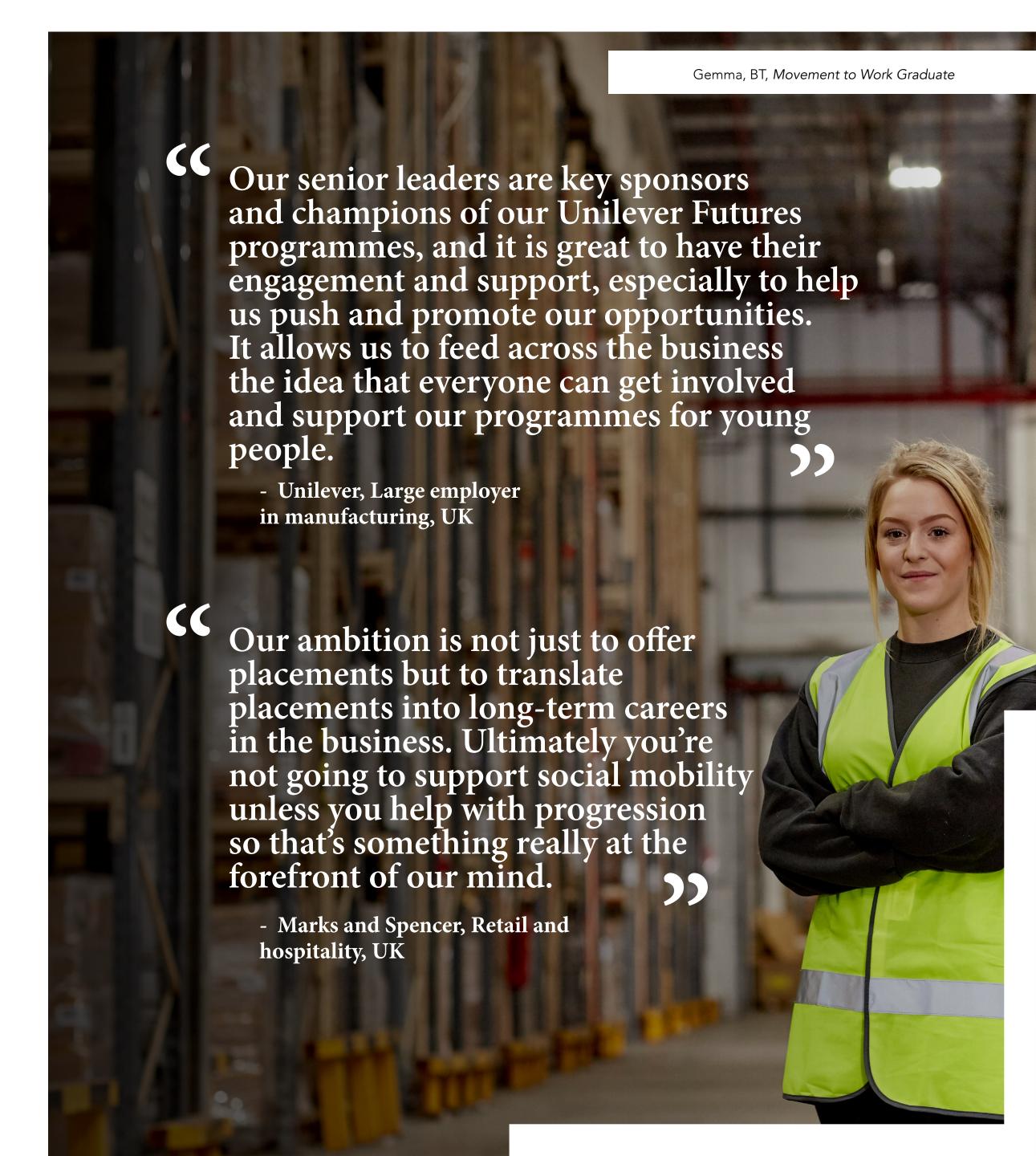
The Large Employers and the Youth Labour Market report reveals that large employers who are getting it right are focused on these key dimensions:

C-suite buy-in

The C-suite and senior management who value and support youth employment are more likely to provide sufficient human resources and funding for youth engagement schemes. If it's a priority for C-suite leadership then it's a priority for the entire organisation. Senior buyin is driven by a range of factors including diverse leadership teams, senior staff having benefitted themselves from similar schemes, and most importantly, an awareness of the value gained by the business by engaging in these initiatives.

Corporate responsibility and HR alignment

Organisations that are explicit about how youth employment features in their overall corporate responsibility strategy and align with HR to set specific goals, can derive greater long-term benefit. HR should be empowered to actively recruit a broader and more diverse group of young people with a view to providing them with a long-term future with the company.

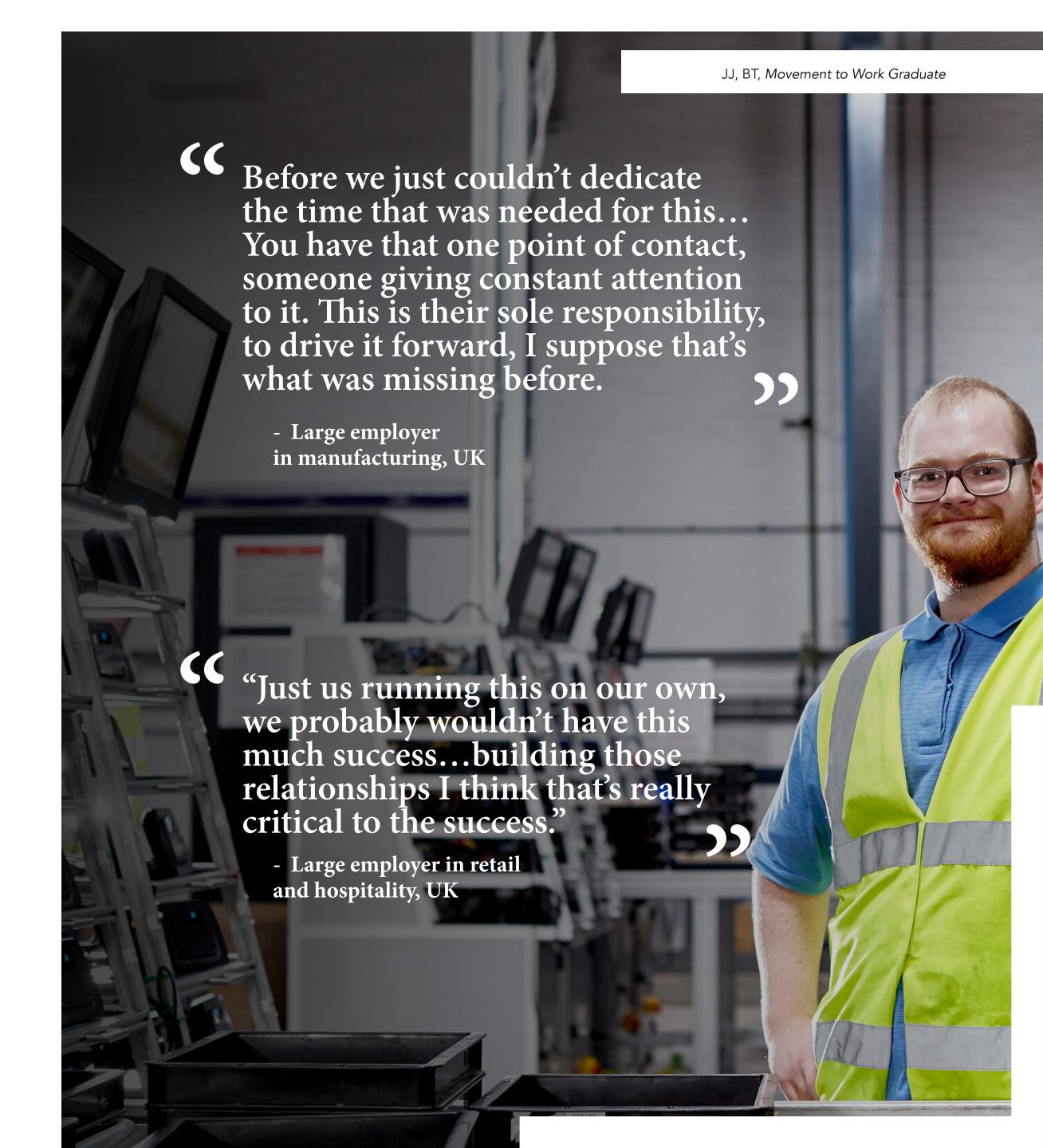


Dedicated resources

Dedicated resources, including teams that research government schemes, engage in youth recruitment, liaise with schools and colleges to secure applicants and provide training and support for young people create an enabling environment that ultimately helps all parties derive greater value. Not only does this signal to the wider organisation that youth employment is a business priority, but it also facilitates a greater understanding of available schemes and the associated benefits while providing the time and space to better engage with recruits.

Leveraging intermediary organisations

Employers working with intermediary organisations find these partnerships enable them to engage at scale or with regularity. Intermediaries provide support with recruitment and best practice. Employers that target disadvantaged groups, commonly work with intermediaries to promote opportunities and secure candidates. While government initiatives are enablers when it comes to financial support, employers find them complex to navigate without the help of a partner. Employers and intermediary organisations should be proactive in seeking out partnerships of this kind.







Ready to join the movement?

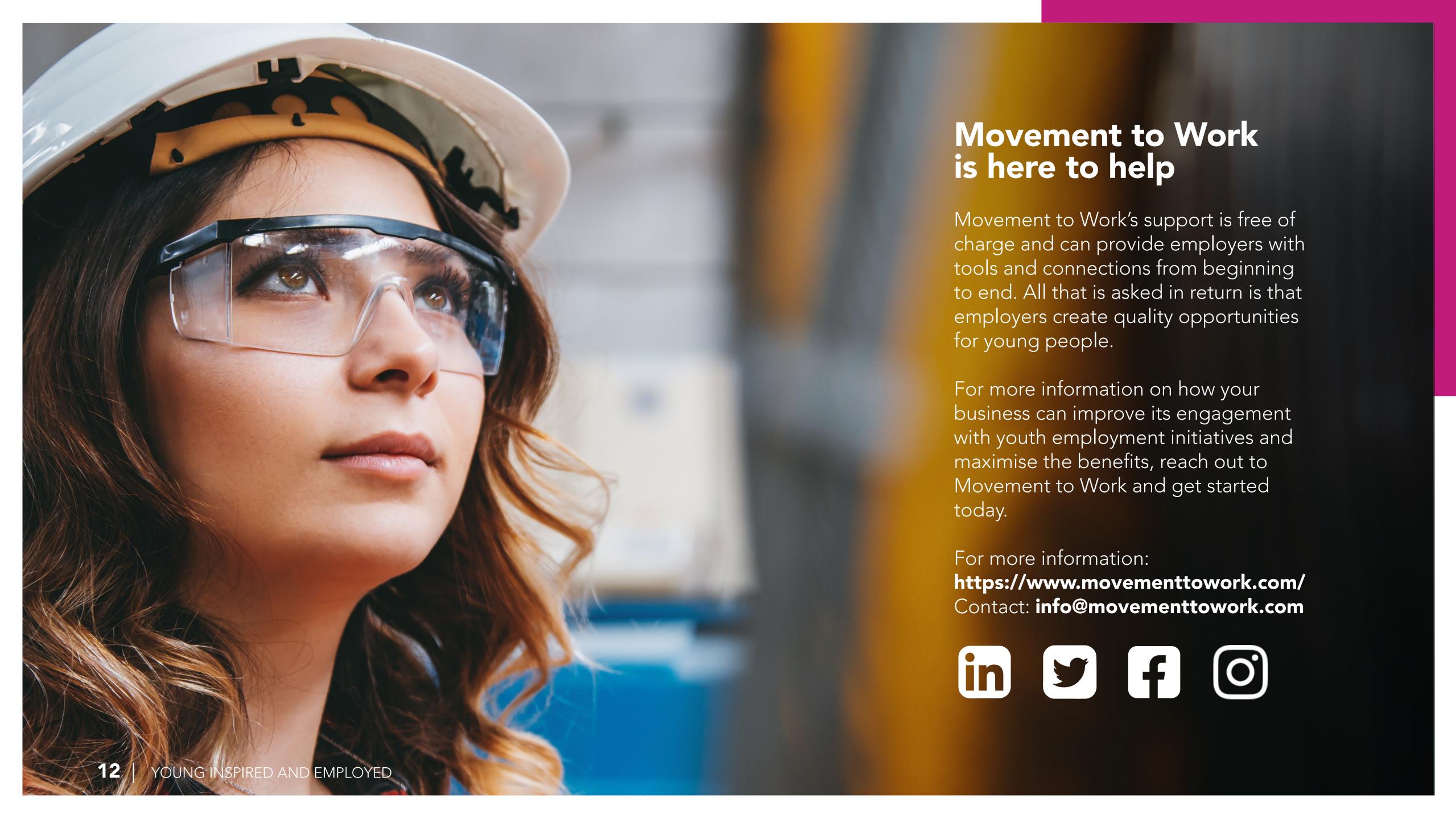
Movement to Work is a not-for-profit coalition of UK employers, youthoutreach organisations, training providers and government allies – all aiming to level the playing field for young people aged 16-30 facing barriers to work. As a robust delivery partner, Movement to Work works with employers to design bespoke youth employability programmes, either in-house or through one of their recommended training providers. With hundreds of organisational members, Movement to Work has a proven track record of driving social mobility with over 125,000 work placements delivered to date, made possible by employers, charities and government working together. Collectively Movement to Work has provided young people with diverse and empowering

experiences ranging from hospitality to engineering, with regional hubs working in London, the Midlands, North East and North West to make a real difference nationwide.

The Movement to Work membership includes some of the biggest UK employers including Accenture, Unilever, Tesco, Marks & Spencer, BT, BAE Systems, Sage, Salesforce, Barclays, Centrica, Diageo, HSBC, IBM, Marriott, NHS, Department for Work and Pensions, and the British Army.

125,000

work placements delivered to date



About our partners



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

Find out more:

www.youthfuturesfoundation.org



accenture

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sage Foundation

This research was part sponsored by Sage. Sage is a global market leader for technology that provides small and medium businesses with the visibility, flexibility and efficiency to manage finances, operations and people. With their partners, Sage is trusted by millions of customers worldwide to deliver the best cloud technology and support. Their years of experience mean that their colleagues and partners understand how to serve their customers and communities through the good, and more challenging times. Sage is here to help, with practical advice, solutions, expertise and insight.

Find out more: www.sage.com

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This document includes highlights and summaries from the Large Employers and the Youth Labour Market research report — commissioned by Movement to Work and Youth Futures Foundation, and co-sponsored by Accenture and Sage.

About the research

- IFF Research was commissioned by the Youth Futures Foundation (YFF) and Movement to Work to better understand large employers' (with more than 250 employees) decisions to recruit young people or get involved in providing youth training or placements.
- Findings are based on secondary data analysis of the Employer Skills Survey (ESS) 2019 dataset on employer engagement with youth employment programmes and activities (data was collected between June and December 2019) and qualitative interviews with 47 major employers in the United Kingdom.
- In total, 6 industries were represented in the primary survey.
 Viewed as key sectors for youth employment, these included, retail, hospitality, health and social work, manufacturing and construction, creative industries, professional and financial services.

To read the full written report please head to the Youth Futures Foundation website <u>here</u>.