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THE EVOLVING YOUTH LABOUR MARKET: A STUDY OF CONTINUITY AND CHANGE

by

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A thesis submitted in partial fulfilment of the requirements
for the degree of Doctor of Philosophy

University of Warwick, Warwick Business School

DECEMBER 2000

To my parents

Margaret and Owen Doran

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DECLARATION

This is to declare that this thesis is my own work and it has not been submitted for a degree at another university.

Susan Maguire

December 2000

SUMMARY

The focus of this thesis is the level of demand for youth labour. By re-applying the aims and methodology of a study carried out in the late 1970s and early 1980s and comparing the findings, changes to the structure and functioning of the youth labour market can be identified. These changes are then assessed in the context of evolving education and training policies and, in particular, against the background of significant increases which have occurred in young people's rates of participation in post-compulsory education.

The findings are based on a survey of sixty companies from a range of industrial sectors and size bands in two contrasting local labour markets: Leicester and Sunderland. The overwhelming majority of interviews were conducted face-to-face, using a structured interviewing approach. In addition, representatives of local TECs, Careers Services and Training Providers were interviewed.

The findings point to the fact that, although there has been a reduction in the number of job opportunities, there still exists a demand for youth labour which may, in some areas, exceed the supply of young people choosing to enter the labour market at the age of sixteen. Importantly, many employers in the sample had little understanding of new vocational qualifications, namely GNVQs, and tended to rely on Year 11 attainment levels and non-academic criteria in the selection process.

Finally, the thesis explores the dissonance which, it is argued, has been created by education and training policies which have generated competition for young people from employers and education and training providers, and suggests that such policies may be failing to achieve the twin aims of enhancing the qualification attainments of young people and addressing the future skill needs of the country. It also highlights the need for further research to determine employers' requirements for youth labour.

ABBREVIATIONS

AGCAS	Association of Graduate Careers Advisory Services
aMAs	Accelerated Modern Apprenticeships
ASEAN	Alliance of South East Asian Nations
BTEC	Business and Technical Education Council
CBI	Confederation of British Industry
CSE	Certificate of Secondary Education
CSU	Higher Education Careers Services Unit
DMS	Diploma in Management Studies
DTI	Department of Trade and Industry
EEC	European Economic Community
EMAs	Education Maintenance Allowances
ESRC	Economic and Social Research Council
GCE	General Certificate of Education
GCSEs	General Certificate of Secondary Education
GNVQ	General National Vocational Qualification
GST	Government Supported Training
IES	Institute for Employment Studies
ILO	International Labour Office
ITBs	Industrial Training Boards
ITO	Industrial Training Organisation
LCU	Large Companies Unit
LEAs	Local Education Authorities
LEC	Local Enterprise Companies
LFS	Labour Force Survey
LSC	Learning and Skills Council
MAs	Modern Apprenticeships
MBAs	Master of Business Administration
MSC	Manpower Services Commission
NEET	Not in Education, Employment or Training
NTOs	National Training Organisations
NTrs	National Traineeships
NVQ	National Vocational Qualifications
RSA	Royal Society of Arts
SEU	Social Exclusion Unit
SVQ	Scottish Vocational Qualifications
TECs	Training and Enterprise Councils
TTWA	Travel-to-Work Area
UK	United Kingdom
USA	United States of America
VET (system)	Vocational Education and Training
YCS	Youth Cohort Study
YOP	Youth Opportunities Programme
YT	Youth Training
YTS	Youth Training Scheme

CHAPTER 1

INTRODUCTION

In policy terms, the 'youth agenda' has fluctuated in importance and direction over the last 20 years. The collapse of the traditional youth labour market in the late 1970s and early 1980s, which was defined in terms of the majority of young people leaving education at the end of compulsory schooling and entering work, heralded a government commitment to introducing training provision to quell concerns about escalating levels of youth unemployment. As a result of economic restructuring and an economy that was perceived to be increasingly reliant on a highly skilled and well-educated workforce, there was a growing acceptance among policy makers and academics that few job opportunities existed for 16-year old school leavers. The focus of concern among policy makers shifted towards expanding post-16 learning opportunities for young people, in order to meet employers' perceived needs. What remained untested was the extent to which these assumptions were true. Is there no longer a youth labour market? To what extent did increasing educational participation rates among young people reflect employers' requirements? What value, if any did employers place on post-16 qualifications?

The objective of this study was to examine employers' demands for youth labour through a comparison of contrasting local labour markets. This research sought to ascertain how the youth labour market functions today, and was achieved by addressing three broad issues. First, it examined the extent to which a distinct youth labour market exists. Second, it measured the demands created by employers for youth labour with those emanating from government supported training provision

which seeks to sustain and maintain opportunities for young people in the labour market. Finally, the study sought to determine whether any shift in demand for an increasingly highly skilled workforce had impacted at a local level on employers' requirements for young people.

The cornerstone for this piece of research was re-applying the aims of a study carried out in the late 1970s and early 1980s which became a seminal text in relation to how segmentation theory could be successfully applied to explain the structure and functioning of the youth labour market. By comparing the findings with those of an earlier study, it was intended that changes to the structure and functioning of the youth labour market could be identified. In addition, the previous research had examined the youth labour market in its 'pure state', that is when job opportunities were determined by the needs of the local labour market and before the expansion of government supported training provision. The comparison of findings between the two studies therefore acted as a measure to explain how opportunities for young people have been affected by factors such as economic restructuring, the onset of youth unemployment and the expansion of opportunities in post-16 education and training.

In the late 1970s, the Department of Employment commissioned a study entitled "Youth in the Labour Market" (Ashton, Maguire and Garland, 1982). The main objective of the study was to 'map' the outline of the youth labour market in three contrasting local labour markets - Leicester, St Albans and Sunderland. This was achieved by conducting face-to-face interviews with a representative sample of employers in each area.

The findings from the research highlighted significant variations in the structure and functioning of the youth labour market between the three local areas. In particular, the number of young people entering the labour market and the range and availability of job opportunities available to young people differed between the areas. Also, variations existed between organisations in relation to the structure of their internal labour markets. This resulted in young people accessing differential levels of training and promotion opportunities, which were determined by both the organisation and the occupation they entered. Finally, the research highlighted that differences existed between employers in relation to their use of educational qualifications in the selection and recruitment process.

At the outset of the research, Ashton et al utilised 'dual labour market theory' as a means of distinguishing the youth labour market from the adult labour market. However, during the course of the study, they considered that the theory was too simplistic and that firms could not be readily allocated into one of two groups. The picture was found to be more complicated, with the labour market being made up of "at least two hierarchies of male and female jobs that were divided into a number of different segments. Access for young people to each of these segments was determined by the outcome of the competition they face with adults." (Ashton, et al, 1982, p.2). Therefore, the structure of the youth labour market could be more effectively defined through the identification of a number of labour market segments. These segments restrict the choices and opportunities available and create inequalities in the labour market.

The current study replicated as far as possible both the aims and methodology that had been applied in the original study. Ashton et al chose three local labour markets to represent different labour market conditions. In order to provide sufficient depth to a repeat study, in terms of the number of employer representatives who could be interviewed in a realistic time-scale, it was decided to concentrate on a comparison of just two of the original labour markets: Leicester and Sunderland. This provided a contrast between two differing labour markets, while also enabling a sufficient number of interviews to be carried out to provide a substantial base to the study.

The target number of interviews with employers was a quarter of the original sample. Following the strategy applied by Ashton et al the employer sample was stratified to reflect the distribution of employees by industrial sector in the two local labour markets. The sample included both large and small employers and firms which did not typically recruit young people, in order to identify the reasons why young people were excluded from the workforce.

The sample chosen enabled comparisons to be drawn between the two studies in relation to the structure of employment opportunities that is available to young people. The current study was also able to demonstrate that a youth labour market still exists. However, the constitution of the youth labour market is radically different from that identified in the original study, both in terms of the number of young people who enter it and in relation to the structure of opportunities which now exist. Segmentation theory has been utilised in the current study to explain the differences between opportunities that exist for young people, both within and outside government supported training provision. It was also possible to evaluate employers'

use of academic and non-academic criteria in the selection and recruitment process and explore, in particular, the value employers placed on educational qualifications as a passport into employment. However, no definitive comparisons could be drawn between the two studies in relation to the structure of internal labour markets and how these might have changed since the early 1980s. It is contended that the sample size in the current study prevented generalisations being drawn between organisations about the structure of internal labour markets. That is, the sample of employers was not large enough to identify models of contrasting internal labour markets, which was possible within the sample size of the original study.

The emergent findings from the current study challenge the direction of current education and training policy, which is largely committed to expanding full-time post-16 education and training provision for young people. This is underpinned by a belief among policy makers that the increasing demand from employers for a better-educated and well-qualified workforce precludes a requirement for early labour market entry among school leavers. The research highlights a clear tension between employers' demands for young people and the ambition to increase post-16 education participation rates. Secondly, while there has been a drive to encourage young people to remain in education, which has been achieved by the expansion of post-16 qualifications, namely through the introduction of NVQs and GNVQs, the study questions whether employers actually do place any value on these qualifications. Finally, this study has highlighted that we know very little about employers' demands for young people. This points to a need for further research, targeted at employers, which would seek to determine the structure of opportunities that exist for young

people. This would seem to be an essential pre-requisite of an informed approach to deciding the direction of future education and training policy.

1.1 Structure of the Thesis

Chapter 2 adopts an historical perspective to examine the changes that have taken place in the youth labour market since the original study was completed, starting with the collapse of employment opportunities for young people. The chapter draws on relevant literatures to demonstrate the shifts which have occurred within government policy. It identifies a movement from training-led initiatives aimed at creating and sustaining a credible vocational educational and training system for young people, towards the introduction of education based policies which have been designed to boost participation rates in post-compulsory education.

Chapter 3 outlines the methodology which was utilised by Ashton et al., and that which was applied in the current study. Chapter 4 provides contextual information about Leicester and Sunderland. Drawing on information obtained from the Local Authorities and TECs in each area, it profiles each labour market in terms of the structure of employment opportunities, the distribution of firms by size and local economic activity.

The findings from the sample of employers interviewed in Leicester and Sunderland are presented in Chapters 5, 6 and 7. Chapter 5 examines the structure of employment opportunities that exist for young people outside government supported training programmes. By presenting data about employment trends, the types of companies

that employed, or did not employ, young people are identified and the extent to which employment opportunities for young people had expanded or diminished in relation to the employment of older groups of workers are determined.

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Chapter 6 examines employers' participation in government supported training provision. It compares and contrasts the types of employment and training opportunities that existed for young people on the Modern Apprenticeship and Youth Training programmes with those available to young people who entered the labour market without the assistance of government supported training provision.

Chapter 7 identifies employers' selection and recruitment strategies. It looks at selection and recruitment strategies for both manual and non-manual occupations and assesses the extent to which differences existed between the two labour markets and between industrial sectors. This chapter also highlights how employers selected and recruited young people for both government supported training provision and for full-time and part-time employment. Finally, it evaluates employers' use of academic and non-academic criteria in the selection and recruitment process and explores, in particular, the value employers placed on educational qualifications.

Since the pace of change in education and training policy for young people has been rapid since New Labour came into office in 1998, Chapter 8 reviews the direction of government policy and the debates which surround current education and training policy. The findings of the research are considered in relation to the current policy climate, as well as to the changes that have occurred in the youth labour market over the last 20 years.

The thesis concludes with Chapter 9, which considers the implications of the research and discusses the pertinent issues for some of the key players in the education and training arena, namely: young people, employers, policymakers and the academic community.

CHAPTER 2

THE YOUTH LABOUR MARKET:

DEVELOPMENTS OVER TWO DECADES

This chapter offers a review of the many changes, which have impinged on the transition from school to work over the past 20 years. It focuses on describing the changes that have occurred to the structure and functioning of the youth labour market since the late 1970s and the early 1980s, to the time at which the fieldwork was undertaken in Leicester and Sunderland. Chapter 8 considers the raft of policy developments that have occurred since the completion of the fieldwork in 1998.

The Chapter includes a review of the structural changes to the labour market and a comparison of two hypotheses which attempt to evaluate the impact of these changes on the youth labour market. A variety of initiatives has been put forward, adapted and changed in the search for a solution to what has proved to be the vexing question of how to create and sustain a credible vocational education and training system for young people which at the same time successfully tackles youth unemployment and meets the needs of a changing economy. The body of this chapter examines these government policies. It includes a consideration of the attempts made to model the UK's training system on that which exists in Germany, and the many training solutions which have been introduced to resolve the 'intermediate' skills shortage.

The question of whether the current shift towards mass participation in post-compulsory education can resolve the problems young people face in their transition to the labour market is considered through a comparison of developments in the UK with findings from the USA, where a mass higher education system has been in existence for over 30 years. The chapter also examines recent evidence which

explores the situation of a significant number of young people who find themselves excluded from, or choose to exclude themselves from 'the system'. Given the protracted nature of many young people's transition from school to work, in relation to the routes, options and exclusion from the labour market, the definition of the 'youth labour market' includes young people between the ages of 16 to 24. Finally, there is an evaluation of policy initiatives which, it will be argued, have failed to solve the problem of creating a vocational education and training system which is widely recognised and credible in the eyes of young people, their parents and employers.

2.1 Changes in the Routes into Employment

In 1974, 61 per cent of young people who left school at 16 were able to find jobs (Roberts et al, 1987). A young person's experience of work was found to be a crucial factor in determining their behaviour and perspective on the world. A study of school-leavers in Leicester argued that most young people joined one of three broad bands of occupations characterised by differences in wage levels, promotion prospects, skill requirements and job security (Ashton and Field, 1976). These three types of occupation were described as 'careerless', 'short-term careers' and 'extended careers'. Most young workers were fairly easily reconciled to their 'career slot' since, on the whole this reflected their experiences at home and at school. For example, 'careerless' young people had typically failed to achieve within school and left education without qualifications, their parents primarily worked in non-skilled occupations and they were led to expect jobs in which there was little potential for progression.

Subsequent research conducted in the late 1970s/early 1980s was able to identify that not only were there broad differences between the types of occupations that young people entered, but that there existed a youth labour market, which was distinct from that available to adults, and differed in terms of its entry patterns and in the selection criteria used by employers (Ashton, Maguire and Garland, 1982). The labour market which young people entered was characterised as being made up of a number of segments, each offering different levels of pay, security of employment, training and promotion prospects. A distinctive feature of the youth labour market was that it was linked to the different patterns of entry that existed for young people in each of the major segments. These patterns of entry were largely determined by the degree of competition which young people faced from adults.

The research findings highlighted variations in the structure and functioning of the youth labour market at the local labour market level, particularly in terms of the proportion of young people entering the labour market at 16, the range of job opportunities open to them, their chances of obtaining employment and employers' methods of recruitment and selection criteria. The structure of companies' internal labour markets, also played a key part in determining young people's entry points into the organisation, the range of jobs open to them and their career chances.

By the early 1980s, the bottom had dropped out of this clearly defined youth labour market, so that in 1984 only 18 per cent of 16 year old school-leavers were finding jobs (Roberts et al, 1987). The debate shifted from a description of the youth labour market to the causes of its collapse. For many school-leavers the movement between school and work became more complicated, as jobs became more difficult to find. Unemployment, participation on government training programmes and prolonged

periods in education have protracted the transition between school and work for many young people. In the early 1990s, less than one in ten 16 year olds were leaving school and entering employment (Roberts, 1995).

Fluctuations in the demand for youth labour have traditionally been explained by pointing to the state of the economy, with employers reducing their demand for youth labour during recession and increasing it during an upturn. Two contrasting schools of thought exist, which attempt to explain why young people are more vulnerable than other groups to a lessening in demand for their labour: the 'structural' hypothesis (Ashton and Maguire, 1983; Ashton, Maguire and Spilsbury, 1990; Roberts, Dench and Richardson, 1986); and the 'labour queue' hypothesis (Main and Raffe, 1983; Main 1985; Raffe 1986; Makeham, 1980). The key difference between the two hypotheses rests on the reasons given to explain employers' changing demand for youth labour (Shelley, 1988).

2.1.1 Structural hypothesis

Ashton, Maguire and Spilsbury (1990) attributed the decline in the demand for youth labour throughout the 1980s to changes such as the decline of labour intensive industries, the impact of new technology, increased business competition and a process of increasing industrial concentration. They argued that the changes are irreversible and, regardless of economic conditions, many of the jobs which were traditionally occupied by young people have been lost. Roberts (1995) maintains that this explanation can be supported by "the failure of youth employment to recover during the economic boom of the 1980s"(p.10). During this period, despite the growth in the number of jobs in sectors such as retail and business services, there was

no significant upturn in the demand from employers for young people, because these sectors had no established track record of employing large numbers of school leavers.

2.1.2 Labour queue theory

In contrast, Raffe (1986) argues that young workers are particularly vulnerable to any changes in the levels of employment and unemployment because of their place in the 'labour queue'. Employers are viewed as offering 'training slots', with individuals being expected to compete for them on the basis of their differentials in training costs. The costs of training individuals are determined by employers on the basis of educational qualifications, gender and age. It is argued that employers order applicants in their labour queue, with those having the greatest training costs nearest the back. When companies need to cut back, they will not move as far down the queue to recruit labour (Shelley, 1988). As a result, those groups which have the least to offer in terms of the criteria stated for jobs (i.e. young people) are severely affected. When unemployment is high, young people are forced to compete to a much greater extent with other sections of the labour force who can offer more in terms of skills and experience, and may have fewer demands, in terms of training and development. Proponents of this hypothesis maintain that these changes are not permanent and could be reversed by policies aimed at stimulating economic activity.

In recent years, Ashton (1992) has added to the restructuring debate by arguing that there are a number of underlying processes which are predicted to have a more profound effect on the operation of the youth labour market internationally in the future. These processes include: the growing significance of multinational corporations; the growth of transnational trading blocs, such as the EEC, ASEAN and that effected by the North American free-trade agreement; new forms of organising

production, such as the introduction of flexible specialisation, which are accompanied by what are perceived to be Japanese employment management practices; organisational restructuring, often incorporating a reduction in the layers of management (delayering) and in the size of the workforce (downsizing), as part of a drive to secure 'flatter' organisations, has brought with it a requirement for greater flexibility and enhanced commitment to the organisation. Examples of this can be found in the notion of the core/periphery workforce (Atkinson, 1984; Pollert, 1987); the growing importance of firm internal labour markets (Rees, 1992; Marsden and Ryan, 1991).

These two competing arguments which have been put forward to explain the demise in the number of jobs available to young people, inform the debate about why young people occupy such a vulnerable position when economic circumstances change. What is undeniable, is the decline of the traditional youth labour market over the past twenty years and the fluctuating levels of youth unemployment which can be explained by either one or perhaps both of these hypotheses. One significant outcome of such massive change to the structure of job opportunities available to young people has been the introduction of a whole series of government measures and initiatives within both education and training which have attempted to 'solve the problem' of youth unemployment and at the same time have attempted to install facets of a national vocational education system. It is the intention, firstly to examine the developments which have taken place in the UK to establish a youth training policy, and secondly to explore parallel developments in the education system which have also attempted to redefine the routes available to young people beyond compulsory school-leaving age.

2.2 The Training Solution

This section provides an overview of the development of, and changes to, youth training provision since the beginning of the 1980s. It plots the inception of government supported training provision for young people which started with work experience programmes for the young unemployed and which expanded with the ambition to create an integrated VET system for all young people. In the 1990s, government supported training programmes have catered for the decreasing numbers of young people who have left education after compulsory schooling to pursue the work based training route.

2.2.1 The Youth Opportunities Programme

Until the introduction of the Youth Training Scheme (YTS) in 1982, government interference in the training of young people was marginal. Employers were primarily responsible for the training of young people through apprenticeship training schemes, in-house training provision and through links with Industrial Training Boards (ITBs). The introduction of the Work Experience Scheme in 1976 and the Youth Opportunities Programme (YOP) in 1978 were governments' first attempts to structure training provision for the small number of young people who found themselves out of work (Maguire, 1993). With the introduction of YOP, a broader range of training contexts was made available to young people, with training being provided in some areas by training workshops, community service agencies, environmental improvement projects and information technology centres, as well as by employers (Ball, 1988). The fact that the take-up of YOP varied between local labour markets, can be attributed to the wide variations which existed in the levels of youth unemployment at that time (Ashton et al, 1982). By 1982, YOP had grown to

the point where it was seeking to offer provision to more than half of all school-leavers entering the labour market (Raffe, 1988). YOP had also acquired an 'image problem', with a widespread belief that employers using the scheme exploited young people and that the training allowance amounted to little more than 'slave labour'. Research findings including the Manpower Services Commission's own, "found a high proportion of placements in small firms, many of poor quality or exploitative, and with rising unemployment fewer trainees found jobs" (Lee, Marsden, Rickman and Duncombe, 1990, p.9). This image has continued to plague youth training provision for twenty years.

The inadequacies that were clearly visible in existing provision, together with escalating levels of youth unemployment, record levels of 16 year olds leaving school and public unease which had resulted from the civil disorder and vandalism which erupted in some cities in Britain in the summer of 1981, precipitated discussions in government circles about the need to formulate a new youth training programme. The Manpower Services Commission (MSC), supported by a small number of employers and Confederation of British Industry (CBI) officials, were, on the other hand, keen to broaden out policy thinking beyond dealing with the immediate problems of youth unemployment and to use the opportunity to review British vocational training and to develop a system which was more in line with those offered by our main economic competitors (Keep, 1986). The net result was the hasty introduction in September 1983 of the Youth Training Scheme (YTS). This was, in effect, a compromise between meeting the objectives of one strand of the discussion document *The New Training Initiative*, which had laid an agenda for the reform of the British training system, with the pressing requirement to address the need for quantity, in terms of places, at a time when youth unemployment had reached its peak.

2.2.2 The Youth Training Scheme/Youth Training programme

The launch of YTS was supported by huge sums of government money. In 1981, a Government White Paper announced that £1 billion was to be available to fund the new one-year Youth Training Scheme (DE, 1981). The programme offered all employed as well as unemployed young people a one year work experience based programme. In order to give the new programme widespread credibility, in terms of its ability to deliver high quality training, attempts were made to incorporate all first year apprenticeship training programmes. This was achieved through offering employers for the first time, a government training subsidy to support the first year of apprenticeship training. In return, the government was able to include many high profile apprenticeship programmes as part of new high quality training programme. Given the fact that many of the firms providing places used the funding to sustain existing apprenticeship training programmes and were required to make few modifications to the training package that was offered, some young people employed as apprentices could easily fail to recognise that they were part of a national training programme.

Comparisons were drawn between the aims of YTS to create a high quality training scheme and the German 'dual system' of training which offered high quality vocational training to young people and produced an ample supply of intermediate workforce skills which had been crucial to the country's economic success. The 'dual system' of apprenticeship training combines three or four years of part-time study at public vocational schools with coordinated work based training. This training results in the acquisition of widely recognised transferable skill credentials. Apprenticeship training in Germany is also supported by a sophisticated system of school-industry

bridges below university level, which includes one-year to four-year full-time vocational schools. Both routes offer universally recognised vocational qualifications (Buechtemann, Schupp and Soloff, 1993).

However, the foundations of work based training in Britain and Germany have by tradition remained fundamentally different. While apprenticeship training numbers in Germany continued to rise from the mid-1960s, figures in the UK sharply declined:

> *'... instead of a 'low pay, high quality, high volume' training system along German lines, the UK moved towards a 'high pay, high quality, low volume one.'*
>
> (Marsden and Ryan, 1991, p.263)

Therefore, in Britain, for the few young people who were entering apprenticeship training, the standards were good, but for the majority of young people entering the labour market directly into jobs, training provision and qualification attainment was often haphazard. The introduction of YTS was Britain's first attempt to structure and standardise all training provision for young people, including apprenticeship training. Whereas in Germany the ability to participate in the Dual System is seen to be an achievement by both young people and their parents (Felstead et al., 1994), in Britain young people consider access to the labour market through employment as being more prestigious than through training. YTS was an attempt to create overnight what had grown up and been established in Germany over many years, namely a high quality and respected vocational training programme, which produced young workers with highly sought after skills. Despite hopes that the programme would function as a training programme for all school leavers and not just for those who could not find a

job, evidence suggests that YTS operated in its early years in much the same way as YOP, that is in mopping up unemployed school-leavers (Raffe, 1987; Ryan, 1991). After its introduction in 1983, the YTS framework was under constant review to counteract the ongoing criticisms about the quality of the training provided. The White Paper *Employment: the Challenge for the Nation* (DE, 1985) recommended the extension of YTS to two years from 1986, with the second year training costs being largely funded by employers (Lee et al, 1990).

The decision to extend the programme was taken before any systematic evaluation of the programme had taken place. Additional resources were also committed to the programme to the tune of some £125 million in 1986-7 and £300 million in 1987-8. The total budget allocation already made to YTS was envisaged to be in the region of £925 million in 1986-7 and £1000 million in 1987-88 (DES, 1985). Skilbeck et al, (1994) note that such high levels of government expenditure were allocated to youth training at a time of government cutbacks in many other areas of public expenditure, thereby signifying the importance attached to youth training provision. The extent to which this policy was driven by the need to institutionalise youth training rather than to alleviate youth unemployment is debatable. An evaluation of the "global, comparative cost effectiveness of the YTS as a national strategy" has never taken place and is now unlikely to happen (Skilbeck et al, 1994, p.167).

From the many studies which were undertaken of YTS, it is clear that the programme failed to operate as a universal high quality training programme (Lee et al, 1987; Roberts et al, 1986; Raffe 1988; Cockburn, 1987). One emerging issue from much of the research was that the programme was segmented, with different parts of the programme offering varying amounts of training and qualification attainment and

chances of securing future employment opportunities. Access to schemes and placements, which in turn led to differing levels of training and chances of employment, was largely determined by gender and possession of academic and non-academic qualifications. This meant that young people who were able to offer more in terms of qualifications on entry to the programme were more likely to secure the best training places. While company schemes were highly selective and demanded high academic standards, they did offer more costly training and in the majority of cases the young people were absorbed into the company upon completion of their programme. In contrast, the employers whose placements provided minimum levels of training and marginal chances of permanent employment were likely to be offered to young people who were the most disadvantaged and least motivated. YTS appeared to be operating in much the same way as the traditional youth labour market defined by Ashton et al, (1982), that is, it was characterised as being made up of a number of segments, each offering different levels of pay, security of employment, training and promotion prospects.

Lee et al's (1987) case study of YTS over a three-year period was designed to demonstrate some of the "cumulative and perhaps unintended effects of successive policy initiatives" in an expanding town in Southeast England (Lee et al, 1987, p.138).. Interviews were conducted with some 200 YTS trainees during 1984, which was the year they entered the scheme, and again in Spring 1986. Observational and interview data was also collected from employers, training organisations and colleges which were operating the scheme in the local area.

The term 'the surrogate youth labour market' was used to define government intervention in the real youth labour market to create employment and training

opportunities for young people. That is Lee et al, defined a separate youth labour market emerging as a result of state intervention which sought to reduce youth unemployment nationally and to widen access to employment and training opportunities. The 'surrogate labour market' was seen to be segmented as a result of the differing commercial interests of managing agents and employers in the programme. Consequently, the programme offered different types of training and employment opportunities to young people.

Roberts et al (1986), who concluded that within YTS there was the emergence of three tiers of recruitment of young people by employers comprising those who were using the scheme to subsidise their own programmes of training, those employers who used the placement to test out the young person's suitability for future employment, and others who were using the

scheme to create temporary low level jobs. However, Lee et al, argued that the picture was more complex and identified four major causes of variation in YTS:

- gender connotations of particular occupational skills;
- the origins of schemes;
- the recruitment context of individual placements;
- source of control over the content of the training.

The study found that 'good investment training' was restricted to a small 'sponsorship' sector. Other research confirmed that employers with high training costs regarded the YTS allowance as a small subsidy and one which had not

encouraged them to provide an increased number of training places in traditional or established skill areas (Chapman and Tooze, 1987).

One of the conclusions to be drawn from Lee et al's study was that the perceived success or otherwise of YTS, according to the trainees was determined by its ability to translate placements into jobs. If trainees were not placed into employment with their placement provider, the chances of securing employment elsewhere in their training area (with some exception for clerical and retail trainees) were not great. Other research has confirmed this finding. The Scottish Young People's Surveys and the ESRC 16-19 Initiative (see below) showed that the young people who benefited from YTS did so as a result of being retained in permanent employment by their placement providers. Qualifications and experience gained on YTS were useful to only a few trainees when they applied for jobs beyond their placement provider (Roberts, 1995).

Raffe (1988) using data from the Scottish Young People's Surveys also identified different classifications within YTS. The Scottish Young People's Surveys began in 1976 as biennial surveys of national samples of school leavers. During the 1980s, the surveys became more longitudinal, in recognition of the fact that transitions into employment had become more prolonged. Four sectors were identified within YTS from the findings of the Scottish Young People's Surveys:

- the *sponsorship* sector, where young people were given high quality training which prepared them for permanent employment with the employer with which they had trained;
- the *contest* sector, where young people were competing in a pool for a limited number of job opportunities which were available at the end programme;

- the *credentialling* sector, where young people were acquiring experience and qualifications which would only enhance their job prospects in the external labour market;
- the *detached* sector, where none of the benefits described in the other sectors were available to young people. This sector equates to the existence of the 'warehousing' sector, identified by Roberts and Parsell (1992), in which a significant proportion of young people on YTS were being 'minded', without receiving any real enhancement to their employability.

The issue of gender, in terms of determining access to training and employment opportunities, was highlighted in Lee et al's study and was the central focus of Cockburn's research into YTS (Cockburn, 1987). While Rees (1984) had demonstrated how sex inequalities had been perpetuated in state training schemes in Britain since the 1930s, Cockburn set out to explore the ways in which such inequalities were being maintained within YTS. The factors which were identified as maintaining sex divisions in the workplace were many and interrelated and included such issues as unlawful discrimination, and the tendency for young women to conform to female job stereotypes which in many cases led to poorer quality training, wages and career prospects. This was often coupled with an unwillingness, an inability and some degree of apathy among those who managed the scheme to challenge gender-conformity. Evidence presented by Slade and Yates (1993) also confirmed that traditional gender patterns and choice were still very much in evidence within youth training provision in the 1990s. Females were primarily found in clerical work, caring, hairdressing, retailing and catering. For males, the five most common routes were construction, motor vehicle engineering, mechanical and production engineering and retailing. While retailing was in the top five for both

groups, it is unclear whether both sexes were entering the sector at the same level and receiving similar types of training and opportunities for career progression.

Evidence from the Economic and Social Research Council (ESRC) 16-19 Initiative which included longitudinal surveys of 16-19 year olds in four contrasting local labour markets between 1987 and 1989, provided substantial weight to Ashton and Maguire's earlier assertion that local labour market conditions have a considerable impact on the job and training opportunities available to young people (Ashton et al, 1982; Ashton and Maguire, 1988). In the two areas with poor job prospects, namely Liverpool and Sheffield, over one third of the sample were participating in YTS by Autumn 1985 (Bynner, 1990). In Swindon and Kirkcaldy, where the lowest proportions were recruited into YTS, the proportion of those trainees placed or based with an employer was much higher. The study also demonstrated that, although where the young person lived did not determine their chances of being offered employment with their placement provider, it did have a considerable impact on the chances of the young person securing employment with another employer (Roberts and Parsell, 1992). Garner, Main and Raffe (1988) argued that studies such as those carried out by Ashton and Maguire (1986), Roberts et al, (1987) and Coles (1986), which demonstrate how different local labour markets create contrasting levels of job opportunities to young people, and studies which focus on one particular labour market (Wallace, 1987; Lee et al, 1987) also identify a number of areas of inequality other than geographical location:

> *'They reveal substantial inequalities* ***within*** *areas, associated with gender, class, ethnicity, education, or other dimensions of social differentiation. Moreover, they sometimes suggest that the same factors, unequally distributed*

as they are (except for gender) across areas, may explain at least some of the observed inequalities ***between*** *areas.'*

(Garner, Main and Raffe, 1988, p.132)

The ESRC study also confirmed Ashton's finding that part-time work barely existed for school leavers (Ashton, 1988). Findings from the ESRC's 16-19 Initiative demonstrated that less than five per cent of the sample were engaged in part-time work and half of the sample had never had a part-time job (Bynner, 1990). The relative importance school leavers attach to part-time work, and the extent to which employers recruit school leavers to fill part-time jobs in the 1990s remains untested in the literature to date.

Since 1988, any entitlement to housing and income support for all young people under the age of 18 (except in special circumstances) has been withdrawn. In September 1988, at the same time that entitlement to Income Support, for most 16 and 17 year old school-leavers, was withdrawn, the government introduced the YTS guarantee. The aim of the guarantee was to ensure that all young people who were not in full-time education and were between the ages of 16-18 and wished to enter YTS provision were entitled to be offered a suitable place on the programme. Despite claims that all school leavers would be guaranteed a place on the programme, research evidence suggested that there was a significant proportion of school leavers who were not participating in employment, education or training and as a result of the withdrawal of benefit were receiving no financial support at all (Maclagan, 1993).

Changes to youth training provision continued to occur throughout the 1990s. As a result of recommendations made in the White Paper *Training for Employment*

(DE,1988), a consultative group was formed to monitor the role and scope of YTS. A confidential report was subsequently produced in 1989 which suggested that YTS should be replaced with a new model called YT (Youth Training). Finegold argued that the report anticipated improving the quality and quantity of youth training, measured *"in the number of school leavers, particularly those in employment, receiving training and the percentage of those achieving higher level qualifications"* (Finegold, 1993, p.45).

In May 1990, the Government replaced YTS with YT (Youth Training). The newly-formed YT guaranteed a training place to all 16-17 year olds who wanted one and retained the existing level of training allowance payable to young people. The grant payable to employers/placement providers was, however, cut by one-sixth, as government increasingly sought to push greater cost and responsibility for training young people on to employers. Management of YT was devolved to the local level, under the auspices of the newly-formed Training and Enterprise Councils (TECs) in England and Wales and the Local Enterprise Companies (LECs) in Scotland. The importance of the local labour market in determining opportunities for young people was now greater because of the key role TECs played in determining the youth training market (Istance et al, 1994).

After youth training provision was re-formed under YT, government funding continued to fall. From 1988, the YT budget has been cut in real terms. At the same time, the numbers and proportions of school-leavers going into YT continued to fall: in 1995, 10.5 per cent of school-leavers joined YT (Yates, 1996), compared with 21.7 per cent of leavers in 1989 (Slade and Yates, 1993). Subsequent attempts to improve the status of youth training included the introduction of Youth Credits (formerly

Training Credits) in 1991 and the Modern Apprenticeship in 1995. (Recent statistics relating to young people's participation in government supported training are presented in 8.2.2).

2.2.3 Training/Youth Credits

Following suggestions made by the CBI, a credit based youth training scheme was promoted as a way of encouraging young people to participate in training by giving them the responsibility for negotiating and purchasing their own provision (CBI, 1989). The theory put forward was that if a young person was given a voucher or credit to purchase their own education and training, individual choice would create and sustain a market in training provision, which in turn would bring about the most cost-effective use of training resources and force training providers to raise standards in order to attract customers for their services (Hodkinson and Sparkes, 1995). The first 11 pilot schemes were set up in April 1991 and covered ten per cent of 16 and 17 year olds who were leaving full-time education. In 1996, a credit based training scheme replaced all existing Youth Training funding mechanisms.

Evaluation studies carried out in two of the pilot areas provide some useful feedback on the take-up of training credits, as well as on the attitudes of the trainees towards youth training. Lorna Unwin conducted an evaluation of the first year of South and East Cheshire TEC's pilot and found that *"young people not only distrust the word 'credit', but associate the term 'training' with low skilled, manual jobs ..."* (Unwin, 1993, p.211). On the basis of a sample of trainees interviewed in the Northumberland TEC area, MacDonald and Coffield reported a contrasting finding:

'... despite the fact that the most of our interviewees would still take the quickest route into available employment (and this is confirmed nationally: see Banks et al., 1992), the case for training seems to have won in the minds of this group ... They could talk positively about Training Credits, even though the training they received was through youth training, which still suffered from a bad reputation in some respects.'

(MacDonald and Coffield, 1993, p.15)

Evidence from the first year pilot programme also showed that the level of understanding and awareness among employers about training credits was low (Unwin, 1993).

The policy of empowering young people to negotiate and purchase their own training through Youth Credits was widely criticised. Credits were designed during a period of economic boom in the 1980s, when it was predicted that young people would be in short supply due to the increasing demand from employers for labour, and to the demographic trends which indicated that there would be fewer young people entering the labour market (Keep, 1994). In effect, the CBI which had promoted Training Credits, misread the labour market conditions which were created in the 1990s. The economic and demographic conditions which were expected to support the credit based system of training failed to come about.

Deakin (1996) contends that young people who are disadvantaged in some way, and as a consequence, may be harder to train, would be considerably less attractive to employers and training providers under a credit based training scheme, unless the value of their 'credit' is higher than average. Thus, the creation of a market system,

with few checks, balances and regulations is likely to be detrimental to the interests of those who are most disadvantaged in the labour market (Deakin, 1996). In addition, within youth training, quality is increasingly measured in terms of trainees' ability to complete qualifications, namely NVQs. Consequently, employers and training providers are paid according to ouput relating to qualification attainment and completion rates (not placement into employment, as is the case in adult training). A young person who presents a 'risk', in terms of their ability to obtain the recognised levels of qualification required to secure output-related payments, may be the least attractive proposition for many employers and training providers. The notion that the market in training would serve the interests of young people appears groundless. Rather, existing funding mechanisms attached to training programmes serve to make training providers more selective and, as a consequence, access to their training places has generated greater competition among the young people they are designed to attract.

2.2.4 Modern Apprenticeships

While the position of the least able is weakened by a market approach to training, the introduction of Modern Apprenticeships has sought to improve the quality of training leading to higher than average vocational qualifications for the more able. Modern Apprenticeships (MAs) and Accelerated Modern Apprenticeships (aMAs) were introduced in the 1993 budget as a means of addressing the acknowledged deficiencies of the British workforce in terms of intermediate skills. From September 1994, prototype schemes were launched and this was followed up by Modern Apprenticeships becoming operational in over 50 industrial sectors a year later.

It was felt that if the demanding goals of the new National Targets for Education and Training were to be met, educational and training standards would need to be raised still further. The need to increase opportunities for young people to undertake training especially to NVQ and SVQ Level 3 was recognised by the government in the 1995 White Paper *Competitiveness: Forging Ahead* (DfEE, 1995). The Modern Apprenticeship was introduced to build upon the positive aspects of the old-style apprenticeship, and was designed to offer a flexible framework for high-quality training geared towards the needs of individual sectors, and to contribute to the greater degree of choice available to young people beyond 16. An interesting development, given longstanding concerns about rigidity, in terms of age of entry, of the traditional apprenticeship system, was the low take-up of accelerated MAs, in both the prototype, and fully operational phases. This apparent lack of interest resulted in the merging of the MAs and aMAs from April 1996 (IDS, 1996).

The evaluation the MA prototypes found that they had been implemented most successfully in industrial sectors which had; a tradition and history of offering apprenticeships; an Industrial Training Organisation (ITO) with wide coverage and support within the sector; experience of promoting and accepting NVQs and GNVQs; and strong existing support for apprenticeship training from employers (Everett and Leman, 1995).

The evaluation study also found that over 50 per cent of the young people recruited as Modern Apprentices had five or more GSCEs at grade C or above. The high entry standard demanded by employers may be indicative of the fact that, unlike any other type of youth training provision, a considerable financial commitment was required

from employers through the expectation of apprentices being offered employed status and the absence of any long-term wage subsidy from the TECs/LECs.

While MAs may be elevating the quality of work based training for some young people, this may be achieved at the expense of relegating mainstream youth training still further. By implication, Youth Credits have become 'second best'. Maclagan (1996a) argues:

> *'TECs face a very significant dilemma in how they market Modern Apprenticeships. Some are emphasising the difference between them and their YT provision, in order to attract high achievers, while others are drawing the distinction less clearly, so as not to devalue their remaining YT. The predicament goes to the heart of the Modern Apprenticeship initiative: that it offers some young people high quality opportunities by implicitly devaluing or marginalising what is available to the less favoured'.*
>
> (Maclagan, 1996a, p.16)

What the introduction of the MA programme has served to demonstrate is that, despite a number of different attempts to devise and implement a government-led quality training policy for young people, the net result has been the creation of quality-led employer work-based training for the few, with a lower status government-led training programme through YT, and later National Traineeships for the rest. Subsequent evaluations of MAs are discussed in Chapter 8, together with an outline of the recent changes which have been introduced to government supported training provision for young people.

2.3 The Education Solution

Over the last twenty years, the restructuring of employment opportunities for young people created by the change in employers' demand for youth labour, and the numerous attempts to create a national work-based training programme, have been underpinned by a growing acceptance that, in the interests of international competitiveness, substantially more young people in the UK should be encouraged to remain in education beyond the minimum school-leaving age. Since the mid-1980s, there has been a dramatic rise in the proportions of 16 year olds continuing to participate in full-time education, with less steep, but still significant increases for 17 and 18 year olds. Thus, for 16 year olds, the participation rate rose from 48 per cent in 1987 to 75 per cent in 1993, while those for 17 and 18 year olds rose from 33 per cent to 55 per cent (in 1992/3) and from 18 per cent to 34 per cent respectively (recent figures are presented in 8.2.1). Interestingly, however, the growth in the proportion remaining in post-16 full-time education has slowed significantly in recent years (DfEE, 1996). In addition to the substantial growth in 16-18 participation rates, since 1979 there has also been a massive growth in full-time and part-time undergraduate enrolments, which has led to many assertions that the UK is moving towards the development of a mass higher education system (Murphy, 1994).

A number of factors have contributed to this increase in post-16 participation. Raffe has shown that there has been a compositional effect, with increasing proportions of recent cohorts of 16 year olds being from middle-class families, among whom participation rates in education are commonly higher (Raffe, 1992). There has also been a combination of other developments, most notably: the reduction in the number of jobs available for 16 and 17 year olds, notably as a result of the recession in 1990;

the withdrawal of entitlement to unemployment benefit to 16 and 17 year olds in 1988; the introduction of GCSE, which now recognises a wider range of attainment, and has resulted in rising levels of attainment; the imposition on both schools and colleges of further education of the necessity to generate greater numbers, which resulted from changes in funding arrangements, which has led to them giving more encouragement to 16 and 17 year olds to remain within the system; a perceptible rise in young people's educational aspirations and the increased attractiveness of the vocational route with has resulted from the introduction of new vocational qualifications, in particular GNVQs (Maguire and Maguire, 1997).

The massive increases in post-16 participation rates would suggest that this represents a shift towards the development of a more highly qualified and highly skilled labour force. Some research findings have cast doubt on some elements of this participation in terms of producing greater numbers of young people with enhanced levels of skills and qualifications. Researchers from Warwick University and the Institute of Education at London University, identified that between 1987 and 1993 increases in levels of participation were twice as great as the gains in levels of achievement (Richardson et al., 1995). These findings are substantiated by research undertaken by Spours, which demonstrated that, while participation had increased, through the effects of the recession and an increase in pupil and parent aspirations, significant proportions of those staying on at 16 were subsequently leaving the education system at 17 with little or no enhancement to their qualifications (Spours, 1991).

Soskice (1993) has argued that a shift towards a USA style mass higher education system should be the way forward for the UK. He pointed to the failure of company-based initial training for young people in Britain to produce either the number of

places or the quality of provision to compete successfully with training practices which exist in countries such as Japan or Germany. This failure is attributed to deep-seated structural forces within the organisation of business interests in the British economy, which, it is argued, are unlikely to change. In order to tackle the skills deficiency that remains in the UK, Soskice asserted that the nation should look towards America, where he attributes high levels of productivity to the fact that large numbers of young people pursue a college and university education before moving into the world of work. This provides a much larger group of the workforce with improved levels of social, organisational and computing skills, which in turn impact upon productivity levels. If the UK was to follow in the same footsteps, it is envisaged that the high rates of productivity which are characteristic of the US could be replicated

In the USA, the expansion of higher education began in the 1950s in response to concern over the country's competitive position and now 60 per cent of high school graduates go on to some form of post-secondary education. A study by IES highlighted that access to higher education in the US does not necessarily equate to outcomes since less than a fifth of school-leavers attain a degree within six years of graduating from high school. In contrast, in the UK, while just over a quarter of the 18 and 19 year olds entered higher education in 1992, eighty-five per cent of these graduated. This made the two countries incomparable in relation to the number of young people entering higher education yet more or less equal in terms of the proportions of young people attaining degree level qualifications (IES, 1996).

In the USA, mature students and females represent the greatest increase in enrolments, which mirrors developments in the UK, where output in terms of graduates includes an increasing number of 'mature' students who have accessed higher education both full-time and part-time through traditional ('A' Level) and non-traditional routes (Two plus Two and Access courses). However, the study found it was difficult to assess the labour market experiences of mature graduates in the USA relative to younger students.

The two main long-term trends for graduates entering the US labour market have been static real starting salaries and an increase in the proportion of graduates defined as under-utilised. In the 1990s, the USA witnessed a growth in the amount of time it took for graduates to secure the work they are looking for and a broadening out in terms of both the jobs and firms graduates were prepared to consider. In addition, employers were found to be becoming increasingly selective, in terms of the universities they were visiting to recruit graduates with a good academic background as well as with some work experience (IES, 1996).

These findings offer an uncanny comparison to recent changes which have been identified in the UK graduate labour market. Graduates are now entering jobs which are not traditionally regarded as being at "graduate" level. This has been happening in the USA for the past two decades and indicates that the labour market expectations of many graduates may have to be redefined. The clear distinctions which once existed between the youth labour market and the graduate labour market may be blurring, as graduates seek to enter either as 'a means to an end' or as an 'end in itself' occupations which once would have been open to them as school-leavers. This may be because these jobs are demanding more in terms of skills and abilities, or may

simply reflect the ability of employers to demand higher levels of qualifications, because of the availability of applicants with a wider range of qualifications.

As Purcell and Pitcher identified, employers' demand for graduates in the UK has been increasing:

> *'The Association of Graduate Recruiters reported a ten per cent increase in the demand for graduates and a predicted 13 per cent in 1996 (IES, 1996) but have made the point that the range of graduate opportunities is changing and 'it is not the case of graduate and non-graduate jobs - rather a continuum of jobs and people who will prove their worth through competency-based approaches (cited in AGCAS, 1996:5). In their latest survey, they found evidence of polarisation within the graduate job market, with increasing numbers of graduates accepting jobs for which they would previously have been considered overqualified (IES, 1996)'*
>
> (Purcell and Pitcher, 1996, p.2)

In addition, the research carried out by Purcell and Pitcher on behalf of the Association of Graduate Careers Advisory Services (AGCAS) and the Higher Education Careers Services Unit (CSU) found a shift towards traditional graduate recruiters increasingly targeting a hierarchy of universities for students, with the net result that increasing participation in higher education does not appear to have brought with it a widening of access to traditional graduate level jobs (Purcell and Pitcher, 1996).

While the consequence of the expansion of higher education in the UK appears to be one of following in the footsteps of developments which have already occurred in the USA, research which contrasted the transition from school to work of young people in Germany and the USA found a reluctance on the part of German policy-makers to encourage the development of a "US type 'college culture' with its inherent devaluation of intermediate, workforce skills, its high college drop-out rates, and its erosion of learning incentives for non-college bound youth" (Buechtemann, Schupp and Soloff, 1993, p.110). The results of the research showed that, unlike in the USA, where a large proportion of young people who do not enter the college system fail to acquire any training or qualifications, the German 'dual' system provides the vast majority of young people with nationally recognised transferable workforce skills. There is a significantly lower level of youth unemployment, as well as a "more comprehensive, immediate and stable matching of skills and jobs than can be observed for the US" (Buechtemann, Schupp and Soloff, 1993, p.109). The German system does, however, have its drawbacks, including its emphasis on placing young people into a prescribed range of career tracks which offer little flexibility to the young person to move in other directions towards higher level skilled jobs and improved wage levels.

2.4 Young People not Participating In Work, Education or Training

While government policy has fluctuated between training and education initiatives, or both, to resolve longstanding deficiencies in the VET system for young people, there has, in recent years, been a growing disquiet about the number of young people who are failing to participate in any form of work, education or training and are in effect disappearing from the system. This trend has been undeniably linked to the Government's decision in 1988 to remove the right for young people under the age of

18 to receive Income Support, thereby effectively removing a significant number of young people from the statistics.

> *'Of the estimated 124,700 young people not in full-time education and without jobs or training, Youthaid estimates that only a small proportion, about 22 per cent gets any benefits ... Youthaid's estimates for October 1992 show that 97,300 16 and 17 year old's were not in full-time education, were without jobs or YT and were not receiving any sort of benefit. These young people do not figure in official statistics.'*
>
> (Maclagan, 1993, p.13)

So where are these young people and what is happening to them? Research carried out in two separate studies in South Glamorgan (Istance, Rees and Williamson, 1994) and Wearside (Wilkinson, 1995) demonstrated that a sizeable number of young people feel alienated from 'the system'. The South Glamorgan study estimated that between 16 per cent and 23 per cent of 16 and 17 year olds in the area, were at any one time not in education, training or a job and many failed to appear in official statistics. Of the 250 16 -24 year olds interviewed as part of the Wearside study, 64 per cent were not in employment, on a training programme, or in education. Only 39 per cent of the sample said they were registered as unemployed.

Significant numbers of young people in both studies were found to have negative attitudes towards training:

> *'... some feel it is a waste of time and others, a much larger proportion, feel the wage is poor. Others do take the initial step of accepting a place on a*

training programme but then fail to complete it, because of dismissal, because of what they consider to be poor training, and because of the poor wage. In addition, others who do take on a training programme often do so for negative reasons: they feel there is no option, or they see it as a way of avoiding further education.'

(Wilkinson, 1995, p.69)

This group of young people was classified in Careers Service statistics as Status ZerO, since they were not engaged in education (status 1), in training (status 2) or in employment (status 3). In effect, these young people had slipped through the 'official' net, since not only did they fail to participate in learning or employment, but they were, on the whole, excluded from claiming state benefits since the implementation of the 1988 Social Security Act (Istance et al, 1994). The 1982 and 1987 Conservative governments had planned the withdrawal of welfare benefits from 16 and 17 year olds to coincide with the introduction of the 'youth training guarantee', which was aimed at ensuring that young people were offered a training place rather than claiming social security benefits.

Evidence suggested that the youth training guarantee failed to deliver the number of training places needed and that significant numbers of young people were experiencing severe hardship (Maclagan, 1992). In addition, quantifying young people in the Status Zer0 or NEET (Not in Education, Employment or Training) group has led to conflicting reports about the number of young people who fail to be engaged in education, employment or training at the end of their compulsory education.

The Social Exclusion Unit (SEU) report on young people, not in education, employment or training was published in July 1999 (SEU, 1999). The SEU analysed the characteristics of the NEET group through an examination of the Youth Cohort Study (YCS) data (Payne, 2000). In 1994, Joan Payne, who prepared the YCS data commented that "minority underclass cultures ... if (they) do exist, ... are not likely to be identified by large surveys ... which rely on conventional methods" (Payne and Payne, 1994, p.18, cited in MacDonald and Marsh, 2000, p.4). Therefore, questions have been raised about the scope of the data used to define socially excluded young people in the SEU report (Chatrik et al, 2000), which, since its publication, has become the benchmark for government policy in relation to disadvantaged and disaffected young people.

It was concluded in the SEU report, that only around one in five young people who were classified as NEET became non-participants in education, employment or training after leaving compulsory schooling. That is, a proportion of young people in the NEET group had tried some form of education, employment or training since leaving school, but had subsequently 'dropped out'. The average length of time a young person spent disengaged was six months. Forty per cent of those out of work, training and education at 16 were still in the same status at 18 and were highly likely to be unqualified, untrained and unemployed at the age of 21. The report concluded that non-participation at 16 is the single most reliable predictor of later unemployment (SEU, 1999).

The SEU report emphasised the links between social and educational disadvantage and disaffection prior to young people reaching the age of 16 and subsequent disengagement. A quarter of those who persistently truanted during the last year of

compulsory schooling were not in education, employment or training at 16. A quarter of those with no qualifications became non-participants. Regions with a history of high unemployment had much higher rates of young people falling into the NEET group. Young people whose parents were unemployed were reported to be over-represented in the NEET group. Young people with disabilities and special needs, as well as those with caring responsibilities also figured highly in the NEET group (SEU, 1999).

The report by the Social Exclusion Unit portrayed a picture of a significant number of young people who, at the age of 16, had experienced social and educational disadvantage which was perpetuated into adulthood. It also highlighted that the plethora of agencies and initiatives targeted at young people often served to confuse rather than provide a system of co-ordinated support. The report set a policy agenda for change to tackle the problems that had been identified (8.2.3).

2.5 The Past and the Future

This chapter has sought to explore the many changes which have contributed to the restructuring of the youth labour market over the last twenty years. What has emerged from an evaluation of these changes is the movement away from a clearly defined youth labour market to an elongated process of transition between education and work for young people which no longer occurs for most young people at the age of 16 but can be at any time between the ages of 16 and 24. In response to the structural changes to the youth labour market, government strategy has shifted between policies which have incorporated elements of education or training based onVET models from other countries, most notably Germany and the USA.

The introduction of YTS in 1983 was the first attempt to create a national training system in the UK, with the emphasis of the programme being on providing a 'permanent bridge between school and work' through the provision of a one-year training programme which offered 13 weeks off-the-job training (Keep, 1994). The ambition was to create open access to quality training for all young people and by 1985, 29.4 per cent of all 16 year old males and 23.9 per cent of all 16 year old females were on a one-year YTS (DE, 1992). This presented an ideal opportunity to instill a belief in the value of training among young people, their parents and employers. Research findings clearly demonstrate that, despite the ambition to create and sustain quality training provision for all young people, the opportunity was lost. The UK moved from sustaining a highly stratified youth labour market which was characterised by early entry by young people into the labour market, often into jobs with little or no training, to the creation of a training system which in turn became increasingly segmented and divisive, in terms of the ability of young people to receive adequate levels of training and to secure employment at the end of the training period (Lee et al, 1990). Subsequent attempts to reorganise and repackage youth training did little to reverse this trend, so that by the late 1990s there existed a system which was overtly hierarchical, with the creation of a Modern Apprenticeship programme for the few and a Youth Training Scheme for the rest.

Ongoing changes in training policy have been accompanied by a growing acceptance that massive increases in participation in post-compulsory education among young people, as opposed to early entry into the labour market, is the correct recipe to respond to the anticipated demands from employers for a highly skilled labour force. The net result is a whole series of entry points into the labour market, for young

people who leave education and/or training anywhere between the ages of 16 to 24 and who offer a growing diversity of qualification and attainment levels. What is less clear is how employers are utilising the skills and abilities of young people who are now entering this extended youth labour market. Therefore, the true currency of the many and various options, which are now open to young people therefore, remains largely untested.

This piece of research, which involved interviewing a sample of employers in Leicester and Sunderland, has attempted to address some of these issues. The findings relating to employers' demands for young people both within and outside government supported training provision are highlighted in Chapter 5 and 6. The value employers' place on educational qualifications presented by young people is outlined in Chapter 7.

CHAPTER 3

RESEARCH METHODOLOGY

Chapter 1 established that the purpose of this study was to examine employers' demands for youth labour through a comparison of contrasting local labour markets. This was achieved by re-applying the methodology of a study carried out in the late 1970s/early 1980s to ascertain how the youth labour market functions today. By comparing findings with an earlier study, it was considered possible to identify changes which have taken place and, crucially, to determine how these changes have undermined traditional assumptions about the structure of the youth labour market. That is, the study replicated the methodology of an earlier study to determine changes that have occurred to the structure and functioning of the youth labour market. The original study involved comparing three contrasting labour markets or case studies. A survey design was implemented which included structured face-to-face interviewing with employers.

This chapter will explore the advantages and disadvantages of the methodology that was employed both in this study and in the original study. In particular, it will look at the value of replication as a research method, the role of case studies in determining change in a wider context and the strengths of using surveys, which involve the use of structured interviewing, within quantitative research.

3.1 Research Aims

The study carried out by Ashton et al, had three broad aims:

1) to investigate some of the differences in the structure of opportunities that faced young people entering the labour market in different parts of the country;

2) to investigate differences in the way in which the early work experience of young people was structured both within and between different types of occupation;

3) to analyse the factors that determined the structure of opportunities in the different labour markets, as well as in the various occupations that recruited from them (Ashton et al., 1982).

The re-application of the aims and methodology of the research provided the basis to examine:

- the changes which have strongly influenced employers' demand for youth labour since the time of the original study;
- employers' current and future demands for youth labour and how these demands are created and met;
- whether a distinct youth labour market still exists.

3.2 Replication

By re-visiting the 'Youth in the Labour Market' study and re-applying the methodology used, the methods employed in the current study could be regarded as a replication of the original study. While the replication of established findings is considered to be quite common in the natural sciences, replication as a research method is less developed in the social sciences. However, the importance attached to replication in the natural sciences had led some quantitative researchers to believe that the methods should be utilised in the social sciences to provide a means of checking the extent to which findings are applicable to other contexts. Bryman notes that replication in the social sciences is not so important as 'replic*ability*', that is it should be possible to use the same questionnaire with a comparable sample to that utilised in an earlier study (Bryman, 2000, p.38).

> *'Replication means that other researchers in other settings with different samples attempt to reproduce the research as closely as possible.'*
>
> (Kidder and Judd, 1986, in Bryman, 2000, p.26)

While the purpose of replication in the natural sciences is to validate the results of previous experiments which can be carefully monitored and controlled, in the social sciences it is recognised that changes take place in social conditions, thereby eliminating the type of static conditions found in the natural sciences. Thus, the important aspect of replication in the social sciences is the ability to replicate the methods (not the results), in order to check the validity of earlier research.

Replication was used in this study for two purposes. First, there was a need to validate whether a quantitative study of employers in contrasting areas would provide evidence to support the existence or otherwise of a youth labour market. Second, and perhaps more importantly, the purpose of the study was to use replication to compare the results between the two studies and to highlight any differences which have resulted from the numerous changes which have impacted on the structure and functioning of the youth labour market. That is, replication was used to measure change over time.

3.3 Research Outline

The 'Youth in the Labour Market' study mapped the outline of the youth labour market by obtaining information from a representative sample of employers in three contrasting local labour markets - Leicester, St Albans and Sunderland. Ashton et al, stated that they produced a 'snapshot' of the youth labour market (Ashton et al, 1983, p.45). In addition, differences between the three labour markets were identified, to demonstrate the extent to which local economic conditions determined variation in the structure and functioning of the youth labour market.

> *'The main criteria for the selection of the local labour markets were they should have differing levels of unemployment, and that they should be characterised by contrasting industrial and occupational structures.'*
>
> (Ashton et al, 1982, p.3)

The boundaries for each labour market were defined on the basis of the Department of Employment's travel-to-work areas.

As well as conducting interviews with employers, the study had also hoped to include information from trade unions, since, at the time of the study, trade unions had a powerful role in the labour market. Representation from the trade union movement was not achieved in the study, since many unions were organised at regional, as opposed to local labour market, level and were unable to provide local information. Another problematic aspect of the research was the exclusion of young people from the study. Therefore, the structure of opportunities for young people in the local labour markets was defined by employers alone and did not include the perspective of young people themselves. Ashton et al, argued in their final report that the experiences of young people in the labour market had been the subject of a number of studies and that there was a greater need to research the views and experiences of employers in relation to their experiences of the youth labour market (Ashton et al, 1982).

Section 3.3.1 will outline case study methodology and will lead to a discussion within this chapter that Ashton et al, went further in their methodological approach than merely providing a 'snapshot' study which was momentary, incapable of replication and produced findings which could not be generalised. By developing a study which documented the range of research methods used and collected, in a systematic manner, data which was then subject to rigorous analysis, the methodology employed by Ashton et al, was, in fact, more closely aligned with a case study approach.

3.3.1 Choice of local labour markets

In the original study, three local labour markets were chosen to represent different labour market conditions. At the outset of the current piece of research, background information was collected on each of the three labour markets that had been used in the original study. Visits were also made to each local Careers Service to obtain up-to-date information about school leaver destination statistics and local employment trends. In order to provide sufficient depth to the study, in terms of the number of employer representatives who could be interviewed in a realistic time-scale, it was decided to concentrate on a comparison of just two of the original labour markets: Leicester and Sunderland. This provided a contrast between two differing labour markets, while also enabling a sufficient number of interviews to be carried out to provide a substantial base to the study.

Sunderland still represented the area with the highest level of unemployment. The traditional industrial base of the area had, however, given way to the development of some new industries, probably the most notable being the development of car manufacturing by the Japanese firm Nissan. Other new industries ranged from automotive component manufacturers (mostly Japanese), call centres, furniture manufacturers, off shore technology and food production (see Chapter 4 for a profile of the local labour market).

In the original study, Leicester represented the area approximating the national average, with a moderate level of unemployment, fairly broadly based manufacturing and service sectors and a more balanced distribution of manual and non-manual occupations. Leicester still had a high proportion of small firms but had witnessed a

long-term decline of the traditional hosiery and knitwear industries and a growth of service sector industries (see Chapter 4 for a profile of the local labour market).

Thus, for the present study, a comparison of two local labour markets which were representative of contrasting case studies was undertaken. The remainder of this chapter will seek to demonstrate that the methods used in this study, as was the case with the original study, are consistent with a case study approach.

3.3.2 Case studies

Case studies are widely used in many areas of research (Yin, 1994). Case study methodology is advantageous in social research when *"a 'how' or 'why' question is being asked about a contemporary set of events over which the investigator has little or no control"* (Yin, 1994, p.9). While case studies have been criticised as being 'unscientific', and of generating results which do not permit generalisations from a sample to a population (Long, 1986), they have also been heralded as a means by which data is collected that preserves the whole experience under study (Patton, 1989). Like other methods, they can be explanatory, but they can also be descriptive and exploratory (Yin, 1994).

The definition of a case study in research literature is ambiguous. Hammersley (1989) suggests that the reason for this is that the case study seems to have emerged from a number of different sources. These are identified as: the case notes of social workers, the clinical methods of doctors, the approaches of academics, such as historians and anthropologists, those involved in business studies, and the research

conducted by some qualitative researchers. One of the reasons that the case study has been so widely used is that the:

> *'case need not be a person or enterprise. It can be whatever 'bounded system' is of interest. An institution, a program, a responsibility, a collection, or a population can be the case.'*
>
> (Stake, 1983, p.5)

However, this is not saying that 'anything goes' in relation to a case study. What distinguishes a case study from a general discussion or a 'snapshot' of a particular topic is that the information is collected in a systematic manner and that the data is analysed. Platt (1992), in her review of the case study literature, states that it is often easier to say what is not a case study than what is, and suggests that one way to overcome this is to consider when it can be used.

Robert Yin (1994) has published the best known and most detailed work on case studies to date. Yin advocates that case studies should have the following five components:

- the study question(s);
- its propositions, if any;
- its units of analysis;
- the logic linking the data to the propositions;
- the criteria for interpreting the findings.

The first step in designing a case study is to decide upon the purpose of the study. Once this has been established, the study question(s) are formulated. These are similar in function to a hypothesis, in that they state what the study attempts to show. It is clear from Section 3.1 that both the original study and the current study had clearly defined aims and research questions. The next step is to decide the form the case study is to take, that is whether or not the case study is to include a single case or multiple cases. A single case study design is appropriate in three major instances: if the case is unique or extreme; if the case is critical, in that it enables a theory to be tested; or if the case presents the opportunity to study something which was previously inaccessible. In the original study, Leicester, Sunderland and St Albans were identified as offering three contrasting local labour markets in which the structure and functioning of the youth labour market could be both defined and compared. In the current study, the contrast was limited to a comparison of employers' demands for young people in Leicester and Sunderland.

When the design and the unit of analysis of the case study has been decided, the instruments for collecting the data must be developed. The methods used can be both quantitative and qualitative, depending on the sources of possible information. In both Ashton et al's study and the current study, the methods used for collecting the data were identical. They involved a quantitative survey of employers which included face-to-face interviewing using a structured questionnaire design approach. In addition, the questionnaire incorporated a number of open-ended questions to elicit qualitative responses from employers on some issues (see Section 3.4).

Yin (1994) cites a well-voiced criticism of case studies, namely that they collect data in an idiosyncratic way which means that they are dependent upon the whims of the researcher. To overcome this shortcoming, he advocates the use of a research protocol, which sets out what information is to be collected and in what manner. He emphasises the need to record when and how data is collected and the requirement to document any changes to the protocol, so that other researchers can follow the development of the study. This represents one of the advantages of using case studies, in that they are adaptive and can incorporate additional aspects into the design so long as such changes are recorded. The methodology applied in Ashton et al's study, and the adaptations made to the methodology during the course of the research, are well-documented in Chapter 1 of the final report (Ashton et al, 1982, p.1-9). This enabled the current study to mirror, as far as possible, and to follow the methods used in the original study to collect the data. Any changes that were made to the research design are outlined in Section 3.4.

3.4 Research Methods

This section will outline and evaluate the research methods used in both studies. It will look in particular at quantitative methodology and describe the sampling methods used in both studies, before going on to examine the pros and cons of using questionnaires and structured interviewing as research tools. Finally, the rationale for conducting additional interviews with representatives from TECs and Training Providers in the second study will be explained.

3.4.1 Quantitative research

Within the social sciences, quantitative research is largely associated with survey methods. While quantitative research itself enables the researcher to apply scientific principles to data collection, in order to control and measure results, social survey methods facilitate that process. Social surveys are designed so that data can be collected:

> *'on a cross-section of people at a single point in time in order to discover the ways and degrees to which variables relate to each other.'*
>
> (Bryman, 2000, p.11)

In the original study, the sample of employers interviewed was designed to reflect the composition of the local labour market in terms of both industrial distribution and size of firm. This objective was achieved through conducting a sample survey of employers which:

- was representative of the industrial distribution of the local labour force;
- included the major employers of young workers; and
- included employers who did not normally recruit young people (this was regarded as important in order to determine the reasons for this non-recruitment.)

(Ashton et al, 1982, p.3)

In addition, within each local labour market, the sample of employers included in the survey was distributed according to the number of people employed between the different industrial sectors operating in each locality. The sample was then further

sub-divided to reflect the proportion of firms that were classified as small, medium and large firms. The size bands used were:

1. up to 25 employees;
2. 26-100 employees;
3. 101-250 employees;
4. 251-500 employees;
5. 501-1,000 employees;
6. over 1,000 employees.

Throughout the research findings, categories 1 and 2 were referred to as 'small firms'. 'Medium sized firms' were those in categories 3 and 4 and 'larger firms' were those in categories 5 and 6. Thus, as far as possible, the sample of employers reflected the industrial make-up of each local labour market. Since the size of the three local labour markets varied, this determined the target number of interviews to be achieved in each area. The total sample of employer interviews achieved was 155 in Leicester, 126 in Sunderland and 69 in St Albans (Ashton et al, 1982).

While the current study sought to replicate, as far as possible, the methods used by Ashton et al., the scope of the study restricted the scale of the employer survey. The target number of interviews with employers was a quarter of the original sample. The target sample was again stratified to reflect the distribution of employees by industrial sector in the two local labour markets. This resulted in targets of 40 interviews with employers in Leicester and 30 in Sunderland. The number of interviews achieved was 38 in Leicester and 22 in Sunderland. The sample included both large and small

employers and firms which did not typically recruit young people, in order to identify the reasons why young people are excluded from the workforce.

Those establishments which were included in the survey were identified from a representative sample of employers that was provided by the respective local Training and Enterprise Council (TEC). Each TEC was contacted by the researcher to request a sample of local employers which was representative of the local labour market in terms of the distribution of employment opportunities and of the balance between the proportion of small, medium and large firms operating in the locality. In Leicester, the sample of employers was provided free of charge, while in Sunderland, the local TEC charged a small fee for providing a representative list of employers.

After contacting the firm by telephone, to elicit the name of an appropriate respondent (usually the Personnel Manager), the named individual was contacted by letter, inviting them to take part in the survey. This was followed by a telephone call to discuss the possibility of arranging an interview. At this stage, respondents were offered the choice of either a telephone interview or a face-to-face interview (see Appendix A).

As in the original study, the majority of employer representatives in the sample were interviewed face-to-face. These interviews took on average one hour and thirty minutes to complete. Three telephone interviews were conducted - two in Leicester and one in Sunderland. The telephone interviews lasted approximately 45 minutes. In addition, one employer completed a postal questionnaire.

In order to obtain the achieved sample of 38, a total of 71 firms were contacted in Leicester. This represents a response rate of 53.5 per cent to letters of request to companies to take part in the research. In Sunderland, 40 employers were approached to take part in the research. This represents a response rate of 55 per cent. The response rates were lower than those achieved in the original study, when 155 (74 per cent) of 209 employers approached in Leicester were interviewed. In Sunderland, the response rate was 65 per cent (126 out of 194 approached). The fact that the response rate was lower than that of the original study may be attributable to Ashton et al's study being a large-scale survey, which was conducted by a number of researchers and funded by the Department of Employment over a three year period. In contrast, the current study was an individual study, undertaken on a much smaller scale, without the support of public funding and was therefore much less likely to achieve comparable response rates.

The fieldwork for the current study was conducted between May 1997 and May 1998. In order to enable the researcher to effectively manage the sampling, interviews with employers in Leicester were completed before the fieldwork in Sunderland began. In the original study, the researchers had planned to conduct the interviews with employers in each of the three areas simultaneously, but this was not achieved. The interviewing in Leicester started in June 1978, that in Sunderland in October 1978 and that in St Albans in February 1979. The interviewing in all three areas was completed in March 1980.

3.4.2 Business activity

The employers included in both studies were asked to provide details about their organisation in terms of both industrial classification and number of employees. Tables 3.1 and 3.2 provide a summary of the information provided in the current study. The intention was to obtain as far as possible a sample of employers which reflected the economic profile of each of the labour markets in relation to the distribution of employees between industrial sectors. Over the last twenty years there has been a decline in the number of people employed in the manufacturing sector in Leicester and Sunderland, although both local economies continue to rely on manufacturing industries. In addition, over the same period, there has been an expansion in the number of employment opportunities in the financial, business and public sectors (see Chapter 4). These trends are reflected in the sampling.

Table 3.1 Employer Sample by Industrial Sector

	Leicester	Sunderland
Manufacturing	14	8
Construction	1	
Retail	8	6
Wholesale		
Transport Services	2	
Consumer Services	6	
Financial/Business Services	5	3
Public Sector	2	5
Total	38	22

The sample of employers was also designed to reflect the breakdown of employers between different size bands in each of the local labour markets. The majority of

employing units in both Leicester and Sunderland follow the national pattern of being small firms i.e. less than 25 employees (see Chapter 4). It was difficult to achieve the target number of interviews in small firms, since many firms which employed fewer than 25 people were unwilling to participate. This was due to time constraints and the perception among those contacted that they had little to contribute, because of the small number of people that they employed. Ashton et al, experienced similar difficulties (Ashton et al, 1982, p.4).

Table 3.2 Sample of Employers by Size Band

	Leicester	Sunderland
1 - 9	4	
10 - 24	3	1
25 - 49	6	2
50 - 99	7	2
100 - 199	5	2
200 - 499	9	3
500 - 999	3	6
1000 +	1	6
Total	38	22

3.4.3 Structured interviewing

Data collection in surveys is conducted mainly through three types of questionnaire: self-completion or postal questionnaire; the telephone survey and the face-to-face interview schedule. Ashton et al., and the researcher in the current study collected data largely through face-to-face interviewing. The benefits of this approach are that, while postal surveys or self-completion questionnaires are more cost-effective than

face-to-face interviews, they usually yield a much lower response rate. Face-to face interviewing also enables the researcher to probe beyond the answer given by the respondent. Within postal surveys, the researcher has no control over the interpretation of questions by respondents and is confined to the need to keep questions as simple as possible (May, 1997). While telephone surveys are now widely used in social surveys, they were not widely developed at the time of the original study. Consideration was given to conducting a telephone survey in the current study, as this would have been both cheaper to administer and less time-consuming to complete. However, telephone interviewing was rejected on the basis that the study would have deviated substantially in its methodology from the previous research.

The questionnaire used in both the original and the current study included a combination of pre-coded and open-ended questions. Open questions enable respondents to provide answers that are not confined to a pre-determined set of answers. That is, they allow the respondent to provide their own interpretation, which the interviewer can then record verbatim (May, 1997). The analysis of open-ended questions is more costly, in terms of the time needed to interpret the information provided by the respondents. However, the inclusion of open-ended questions in the questionnaire was considered to be important, since it provided the opportunity to gather employers' own views on issues such as the value they placed on educational qualifications and their commitment towards employing young people.

Interviews were structured, as far as possible, allowing for the range of responses which can be expected from employers in a variety of industrial sectors. The

questionnaire used in the current study was based on the range of questions which was asked of employers in the original study. In addition, given the changes which have taken place in the employment and training of young people, particularly in relation to government supported youth training provision, a section was added to the questionnaire in order to determine employers' involvement in this type of provision.

In order to gain an indication of the effectiveness of the questionnaire and any problems or questions which did not work, the questionnaire was piloted with two employers in Leicester. Before the start of the main fieldwork phase, slight revisions were made to the questionnaire on the basis of findings from these pilot interviews with employers. This included re-ordering some of the sections in the questionnaire and to expand the number of questions within Section 2 (Business Activity).

During the course of the fieldwork, information was collected from each respondent on: ownership of the firm; product market; trends in the size and occupational distribution of the workforce; breakdown of the workforce by age, gender, full-time and part-time working; recruitment methods and selection criteria; skill shortages; labour turnover; training policies and practices; perceptions of and use of initiatives, including YT, Modern Apprenticeships, and NVQs; operation of the internal labour market; systems of upgrading or internal promotion; and perceptions of the usefulness of academic and vocational qualifications. The questionnaire used in the fieldwork can be found in Appendix A.

3.4.4 Training providers

To extend the network of information about the local labour markets, interviews were also conducted with representatives from local Training and Enterprise Councils (TECs), which hold responsibility for local labour market intelligence and managing government supported training provision; representatives from local Careers Services, which provide information on post-16 destinations of young people; representatives from Training Providers, who would be able to provide an overview of local training provision.

Conducting interviews with representatives from TECs and training providers deviates from the methodology applied in the original study. In the late 1970s/early 1980s, the existence of government supported training provision was limited and, of the local labour markets included in that study, largely confined to Sunderland (Ashton et al, 1980, p.58). In addition, the administrative support mechanisms needed for the existing Youth Opportunities Programme (YOP) were the local Careers Service, in conjunction with the Employment Service. From 1990, TECs and training providers became responsible for the management of a greatly expanded range of government supported training provision for young people (see 3.2.2), and it was therefore considered necessary to reflect their perspective within the findings. . The topic guide used in the fieldwork can be found in Appendix B.

The local labour market information obtained from visits to TECs and Careers Services is presented in Chapter 4, while findings from the interviews with local training providers are presented in Chapter 6.

3.5 Defining a Young Person

The rapid expansion of the proportion of young people remaining in post-16 education, and the extended transition between school and work, have brought about a re-definition of the term 'young person'. During the 1970s, when the majority of young people left school at 16, the term 'young person' or 'school leaver' implicitly meant a 16 or 17 year old who was entering or had recently entered the labour market for the first time. The extended transition between school and work has created a wider definition of the word 'young person', referring to anyone between the ages of 16 and 21 or 22, who is entering the labour market for the first time or has limited work experience. At the outset of this research, it was considered necessary to define the term 'young person'. During the course of the fieldwork, employers were asked to consider a young person to be anyone between the ages of 16 and 19, which is a broader definition than the one assumed in the original study.

3.6 Analysis

Analysis of the 60 interviews with employers was completed using SPSS (Statistical Package for the Social Sciences). The questionnaire was largely pre-coded to allow responses to be classified into analysable and meaningful categories. Pre-coding is:

> *'the way in which we allocate a numeric code to each category of a variable. This coding process is the first step in preparing data for computer analysis. It constitutes the first step in mapping our observations into data.'*
>
> (Rose and Sullivan, 1996, p.38 in May, 1997, p.95)

An SPSS data program was written and information from each questionnaire was added to the data set. The aim of the analysis was to examine patterns among replies to questions and to explore the relationship between variables. An example of this would be an examination of the recruitment levels of young people in relation to location, size of firm and industrial sector (5.3.1). Variables fall into two categories – dependent or independent. A dependent variable is defined in relation to the influence of the independent variable. Therefore, an employer's ability to recruit and train young people (dependent variable) may be determined by geographical location, industrial sector or size of firm (independent variables). The process of measuring the relationship between variables is achieved by 'elaboration' (May, 1997). An independent variable (industrial sector) is then considered to have an effect on a dependent variable (an employer's recruitment of young people) in what is defined as a 'bivariate' relationship.

To maximise the output from the open-ended questions which were included in the questionnaire, the analysis also included a qualitative component. Responses from employers to open-ended questions were recorded verbatim within the SPSS program and analysed manually. These were included to illuminate the perceptions, policies, attitudes and experience of employers.

The final stage involved comparing and contrasting the views and behaviour of different employers, and identifying, and seeking explanations for, patterns within the data which had emerged from both the quantitative and qualitative analysis.

Summary

This chapter has provided an overview of the research methods adopted in this study. The methods used were largely pre-determined, since the study replicated an earlier study, which aimed to 'map' the outline of the youth labour market (Ashton et al, 1982, p.2). Therefore, replication as a research tool was utilised in order to measure change over time to the structure and functioning of the youth labour market.

Following the original study, a quantitative survey design was implemented which included structured face-to-face interviewing with employers. Interviews with a largely representative sample of employers were conducted in two contrasting local labour markets: Leicester and Sunderland. The total of 60 interviews with employers which was achieved represents a quarter of the sample of interviews completed by Ashton et al. In addition, interviews were conducted with representatives from TECs, Careers Services and Training Providers to provide an overview of local employment opportunities and the training provision that was available to young people.

CHAPTER 4

THE LOCAL LABOUR MARKETS: LEICESTER AND SUNDERLAND

This chapter provides contextual information about the two local labour markets that were included in the research. Drawing on information obtained from the Local Authorities and TECs in Sunderland and Leicestershire, it profiles each labour market in terms of the structure of employment opportunities, the distribution of firms by size, and local economic activity. The two areas are also compared in relation to young people's participation in education, employment and training. Finally, this chapter plots the changes which have occurred in occupational and industrial composition since the 'Youth in the Labour Market' project was undertaken.

The City of Sunderland's boundaries include the urban area of Sunderland and the outlying districts of Washington, Houghton-le-Spring and Hetton-le-Hole. The Sunderland travel-to-work area (TTWA) is, however, much wider, covering parts of County Durham, most notably the districts of Easington and Chester-le-Street. Sunderland has undergone significant restructuring throughout the 1980s and 1990s, with the decline of traditional industries such as mining and shipbuilding and the arrival of new industries, the most significant being the car manufacturer Nissan and a number of business call centres.

Table 4.1 highlights the changes that have occurred within the local economy, with the demise of the mining industry and a growth in business services in the period from 1977 to 1993. The continuing importance of engineering to the local economy can be seen by the fact that, in 1993, it accounted for 14 per cent of overall employment, compared to a national average of 10 per cent. Since the 1993 Census

of Employment there has been further growth in the numbers employed in the automotive and call centre sectors (Sunderland City TEC, 1998).

Table 4.1 Sectoral Trends in Sunderland

Percentage

	1971	1981	1991	1993
Mining and Utilities	9	10	1	3
Engineering	21	14	13	14
Other Manufacturing	13	9	12	9
Construction	7	5	6	5
Distribution/Hotels	14	25	22	22
Transport & Communication	2	5	4	4
Business Services	1	5	8	10
Other Services	33	28	33	35

Source: Annual Census of Employment 1971-1993 reproduced from 'An Economic Assessment of Sunderland 1998'.

In Leicester, there is a strong inter-relationship between the economy of the City of Leicester and the surrounding county. The Leicester travel-to-work area (TTWA) covers approximately 70 per cent of the county's population (Leicestershire TEC and Leicestershire CC, 1997), and the area is characterised as having a strong and diverse manufacturing base. While the footwear industry has gone into sharp decline over the last twenty years, the City's economy remains reliant on the manufacturing sector, most notably the textile and clothing industry (Table 4.2). Although the number of people employed in textiles and clothing has been declining over the last 15 years, 34,700 people were employed in the sector in 1979, which represented nine per cent

of all employees in the county. Over 50 per cent of textile and clothing companies in Leicestershire are based within the City.

The Financial and Business Services sector employs the second largest number in the City boundary, with employment growth in this sector being concentrated almost solely in business services, which are dominated in Leicester by public administration, education and health. There were around 35,400 employees in business services in 1997 in Leicestershire, compared to around 23,000 in 1987 (Leicestershire TEC, Leicestershire Council and Leicester City Council, 1998).

Table 4.2 Number of Employees within Leicester City Key Sectors

Key Sector	1993 Numbers	Leicester City's share of Leicestershire's Key Sector Employment - 1993 %
Financial & Business Services	16,900	46.8
Distribution & Transport	9,400	33.5
Printing & Publishing	3,400	51.5
High Technology	4,700	26.8
Textiles & Clothing	18,900	56.9

Source: Census of Employment, 1993 reproduced from Leicestershire Economic Perspective 1998/99.

4.1 Size Analysis of Companies

The majority of employing units (companies) in Sunderland and Leicester are classified as small. According to the 1993 Census of Employment, around 87 per cent of all establishments in Sunderland employed less than 25 employees, while the figure for Leicester stood at about 85 per cent (table 4.3). Since these establishments each employed a small number of people, they made up a relatively limited proportion of total employment in Leicester (17 per cent), but accounted for nearly one-third of total employment in Sunderland (30.1 per cent). By comparison, large establishments employing more than 200 employees made up less than 1.2 per cent of all establishments in Sunderland and a little over one per cent in Leicester, but employed 23 per cent and 33 per cent respectively of all employees. In both Leicester and Sunderland, firms of 500 or more made up 20 per cent of total employment.

Table 4.3 Size Analysis of companies in Leicester and Sunderland

	Leicester		Sunderland	
Unit Size	**Proportion of Units**	**Proportion of Employees**	**Proportion of Units**	**Proportion of Employees**
less than 25	85.41	26.95	87.0	30.1
25 - 49	7.61	13.05	6.4	11.6
50 - 199	5.76	26.19	5.4	25.5
200 - 499	0.90	13.62	0.8	11.9
500+	0.32	20.19	0.4	20.9

Source: Leicestershire Economic Perspective 1997 and 'An Economic Assessment of Sunderland 1998' taken from the Census of Employment, 1993.

4.2 Economic Activity

The economically active population is made up of both people who are in work and those who are seeking work. It includes participants on government training provision and those who are registered as unemployed.

Since 1981, there has been a steady decline in the total number of employees in employment in the Sunderland TTWA. Between 1981 and 1993, employment fell by nearly 18 thousand jobs. Over the same period, employment levels amongst both females and part-time workers increased. Female employment levels increased from 42 per cent in 1981 to 49 per cent by 1993. Over the same period the share of part-time employment increased from 21 per cent to 26 per cent. Job losses affected male full-time employment opportunities in particular, with the demise of traditional local industries. Overall, as table 4.4 indicates, economic activity rates in Sunderland remain lower than the national average and economic inactivity due to permanent sickness is much higher than the national average (Sunderland City TEC, 1998).

Table 4.4 Economic Activity Rates

Percentage

Area	Economically Active	Full-Time	Part-Time	Permanently Sick	Government Training
Sunderland	57	58	17	18	3
Great Britain	61	62	16	11	1

Source: 1991 Census of Population.

Note: Percentages have been rounded.

For the purpose of this research, economic activity rates in Leicester have been drawn from those available for the whole of Leicestershire, given that the travel-to-work area for the City covers the majority of the working population of the county. These rates fell during the recession of the early 1990s, but have grown in recent years. In 1997, the figure of 65 per cent of the working population was higher than the national average. Over the same period, male labour market participation has been declining, while opportunities for women have been growing, with the increase in part-time, flexible working and the growth of opportunities in the service sector. Following a similar trend to the position in Sunderland, the decline in the participation of males in the labour force can be directly attributed to the loss of jobs in the manufacturing sector. However, in 1995-6, there was a sharp increase in male labour market participation. This has been interpreted as an indication that job prospects for men in Leicestershire are improving (Leicestershire TEC, Leicestershire County Council and Leicester City Council, 1998).

Leicester has a higher proportion of ethnic minorities in the community compared with the national average. Thus, according to the 1991 Census of Population, 22.3 per cent of the population in Leicester were Indian, compared to 1.5 per cent nationally. However, economic activity rates for ethnic minority groups have tended to be below the national average, as exemplified by the fact that, according to the Winter 1997 Labour Force Survey, 56.8 per cent of all ethnic minority groups in Leicestershire were economically active, compared with the national figure for all ethnic minorities of 61.8 per cent (LFS, 1996). The ethnic composition of the local population, drawn from the 1991 Census of Population, is presented in Table 4.5.

Table 4.5 Ethnic Composition as a Percentage of Population

Ethnicity	Leicester %	Leicestershire %	Great Britain
White	71.5	88.9	94.5
Black Caribbean	1.5	0.6	0.9
Black African	0.3	0.1	0.4
Black Other	0.6	0.3	0.3
Indian	22.3	8.4	1.5
Pakistani	1.0	0.3	0.9
Bangladeshi	0.4	0.2	0.3
Chinese	0.3	0.2	0.3
Asian Other	1.0	0.4	0.4
Other	1.1	0.6	0.5

Source: Leicestershire Economic Perspective 1998/1999.

The difference in economic activity rates between white and other ethnic groups was explained in the Economic Assessments for Leicestershire for both 1997 and 1998 in terms of ethnic groups having a disproportionate concentration in the younger age groups, where economic activity rates tend to be lower. Closer examination of the data reveals that the Indian ethnic group, which forms by far the largest ethnic minority group in Leicester, was shown in Labour Force Survey data for 1995/6 to have economic activity rates which were, in fact, higher than those for white population as a whole. At a national level, economic activity rates for the white population stood at 62.9 per cent, while the percentage for the Indian ethnic group in 1995/6 was 66.1 per cent. Explaining the differences which exist in Leicester in terms of age groupings seems, therefore, problematic, and indicates that this may be an issue for further investigation at a local level.

In contrast, the population of Sunderland is dominated by people from the white ethnic group (99 per cent). Ethnic minorities are, in fact, under-represented within the population of Sunderland, with the percentage falling well short of the national average.

4.3 Occupational Profile

Table 4.6 provides a breakdown of the occupational structure in both labour markets in comparison to the national picture. The information is drawn from the 1991 Census of Population, which provides the most reliable data on occupational structure, despite beings based on a survey of only ten per cent of the local population. However, the information is now dated, since change will have occurred in the local occupational distribution since 1991.

Table 4.6 indicates that the largest single occupational group amongst employed males in both Leicestershire and Sunderland was Craft and Related skilled occupations (26.2 per cent and 29 per cent respectively), with Sunderland having a higher percentage than the national average. In Sunderland, Plant and Machine Operators formed the second largest group of male employees (18 per cent), demonstrating the reliance of the local economy on the manufacturing sector. The percentage of males in Sunderland employed as Managers and Administrators fell well below the national average, while in Leicestershire this group forms the second largest area of employment for males.

Table 4.6 Occupational Structures in Sunderland and Leicester: 1991

Percentage

	Occupation and SOC Code	Sunderland		Leicestershire		Great Britain	
		Male	Female	Male	Female	Male	Female
1	Managers & Administrators	13	8	19.6	10.2	19	12
2	Professionals	8	6	9.3	7.6	9	8
3	Assoc Professional & Technical	7	8	6.5	8.3	8	10
4	Clerical &Secretarial	7	26	6.2	24.9	7	28
5	Craft & Related	29	5	26.2	10.6	23	4
6	Personal & Protective Services	6	14	4.6	11.5	6	13
7	Sales	4	15	5.1	9.4	5	10
8	Plant & Machine Operators	18	5	15.4	7.6	14	5
9	Other occupations	8	13	7.1	9.9	8	10

Sources: Leicestershire County Council and data presented in 'An Economic Assessment of Sunderland 1998'.

The largest concentration of female employees in Leicestershire and Sunderland was found in Clerical and Secretarial occupations (26 and 24.9 per cent respectively). A far larger percentage of women in Leicestershire (10.6 per cent) were in Craft and Related occupations in comparison to the national average (four per cent). This may be accounted for by the reliance in the local area on the hosiery and knitwear industry which employs a large number of women. In both Leicestershire and Sunderland, there were significant concentrations of female employment in Personal and Protective Services (11.5 and 14 per cent respectively).

4.4 Unemployment

There are currently two measures of unemployment in the UK; the monthly claimant count of those claiming unemployment benefit and the International Labour Office (ILO) estimate of unemployment which is derived from Labour Force Survey (LFS) data which is collected quarterly. The figures used here are those which provide an indication of the situation at the time of the fieldwork.

Using claimant count data, unemployment in Leicestershire has been falling since 1993 and in May 1998 stood at 3.2 per cent (14,989 people). This figure was lower than the national average of 4.9 per cent. Unemployment was higher in the City of Leicester at 6.9 per cent (6,498 people) (Leicestershire Economic Perspective, 1998/99).

In Sunderland persistently high levels of unemployment have been a serious problem over many years. Between 1987 and 1990 unemployment started to fall but rose steeply again as a result of the recession in the early part of the 1990s. By January

1994, unemployment rose to 14.7 per cent (21 per cent for men and 5.4 per cent for women), before declining to 11 per cent in September 1996. By April 1997, the unemployment rate had fallen to nine per cent but remains far higher than the national average.

1997 figures continue to demonstrate that unemployment rates reveal gender differences. Claimant rates in Sunderland stood at 13 per cent for men and four per cent for women (An Economic Assessment of Sunderland, 1998). However, given that unemployment rates are based on claimant figures, this may disguise actual unemployment figures for both males and females. Those who are unemployed may be deterred from registering and claiming benefit due to the eligibility criteria now attached to benefit entitlement which demands that claimants demonstrate that they are available for, and actively seeking full-time work.

4.5 Young People's Participation in Employment, Education and Training

Findings from the 'Youth in the Labour Market' project clearly demonstrated that levels of unemployment and industrial composition radically affect the range of job opportunities available to young people between local labour markets. Figures taken from 1997 destination statistics (the time at which the fieldwork was being undertaken) indicated that significant differences still existed in participation rates in post-compulsory education, and Government supported training programmes. In Sunderland, only 52 per cent remained in post-compulsory education, compared with 67.8 per cent in Leicester. In 1996 the national average was 67 per cent. This represents a stark contrast to 1977, at the time the original research began, when only 23 per cent of those completing compulsory education in Sunderland stayed on at

school, compared to around 40 per cent in Leicester. Explanations presented by Ashton et al (1982) concentrated on information provided from the local careers services which suggested that higher rates of early school leaving in Sunderland were attributed to the shortage of employment opportunities locally which encouraged young people to take the first available job offered, to avoid the risk of being left with little or no choice if they remained in education. Information obtained from recent interviews with careers officers and employers during the fieldwork in Sunderland in 1998 confirm this finding. The percentage of young people who remain in post-16 education in Sunderland is one of the lowest in the country, while it has the fifth highest percentage of young people entering Government training programmes (Employment Service, 1997).

In 1997, the number of school leavers who entered government supported training was 15 per cent in Sunderland and five per cent in Leicester. In contrast, in 1978/9 youth training provision had not become established as a recognised route into the labour market for most school leavers. Only in Sunderland, where there was insufficient demand from the local labour market for young people, had the Youth Opportunities Programme (YOP) become used as a way of recruiting young people. Thus, fifty per cent of the employers interviewed for Ashton et al's study in Sunderland were participating in YOP. In Leicester and St Albans, youth unemployment had yet to impact significantly on the local labour market, and employers overwhelmingly relied on direct employment as the primary source for youth labour.

The percentage of young people entering employment at 16 in 1997 was 14 per cent in Sunderland and 11.8 per cent in Leicester (Table 4.7). However, these figures

include young people who have employed status within government supported training provision; most notably those young people on the Modern Apprenticeship programme. While the number of young people entering employment at the minimum school leaving age has declined dramatically since the late 1970s, employment at 16 remains a career option to a significant proportion of school leavers, particularly those living in Sunderland.

Table 4.7 Destination of Year 11 Students in Leicester and Sunderland in 1997

Percentage

Destination	**Leicester**	**Sunderland**
Full-time education	67.8	52
Employment	11.8	14
Entered training	5	15
Other	7.6	11
Unknown	7.8	8

Source: Leicestershire Careers and Guidance Service/City of Sunderland Careers Service.

('Other' category includes young people who are unemployed, unavailable for work or who have left the area).

Table 4.8 Destination of Year 11 Students in Sunderland 1994-97

Percentage

Destination	1994	1995	1996	1997
Full-time Education	52	52	52	52
Employment	8	7	9	14
Entering Training	25	21	19	15
Other	3	11	11	11
Unknown	12	9	9	8

Source: City of Sunderland Careers Service.

Table 4.9 Destination of Year 11 Students in Leicestershire 1994-97

Percentage

Destination	1994	1995	1996	1997
Full-time Education	69	67	67.8	67.8
Employment	8	9	7.9	11.8
Entering Training	11.1	12	10.8	5
Other	5	7	8.6	7.6
Unknown	7	5	4.9	7.8

Source: Leicestershire Careers & Guidance Services.

A comparison of destination data between 1994-7 for the two areas demonstrates significant differences in the routes taken by 16 year olds (Tables 4.8 and 4.9). In Leicestershire, the proportion of young people remaining in education (69 per cent) fell slightly below the national average of 71.5 per cent in 1994/5 (DfEE, 1998) and

started to decline in subsequent years in line with national trends. The picture in Sunderland is radically different. Participation rates in post-compulsory education have been consistently low, standing at 52 per cent in 1997 and fall well below the national average. In contrast, while approximately 12 per cent of all 16 year olds nationally moved into Youth Training in 1994/5, over 20 per cent of school leavers in Sunderland followed this route. Leicestershire remained consistent with the national average in relation to the proportion of young people entering training.

In both Leicestershire and Sunderland, the proportion of young people entering employment at 16 in 1994/5 was around eight per cent, which follows national trends (DfEE, 1998). Since 1994/5, the proportion entering employment at 16 in Leicestershire and Sunderland has been increasing at the same time as the proportion entering government training has been falling. An explanation for these changes is not readily apparent. It may be due to an increasing number of young people entering Modern Apprenticeships, where they are classified as employees (which would also help to explain the continuing decline in the numbers of those entering youth training) and/or to an increase in the number of young people at 16 entering direct employment with or without training. For young people who are entering jobs with training, destination data does not distinguish between those whose are supported by Modern Apprenticeship funding and those who are not.

In 1996/7 the percentage of young people who were classified as 'Other' or 'Unknown' was much higher in Sunderland (around 20 per cent) in comparison to Leicestershire (around 15 per cent).

Summary

A profile of each of the two labour markets which were involved in the current study has been presented in this chapter. Changes in industrial composition, and trends in employment in Leicester Sunderland, which have occurred since the original study was undertaken have also been identified. Chapters 5, 6, and 7 present the findings from the interviews with employers in the two local labour markets.

CHAPTER 5

YOUNG PEOPLE'S ACCESS TO EMPLOYMENT OPPORTUNITIES

This chapter examines the data collected from the sample of 60 employers interviewed in Leicester and Sunderland to determine the structure of employment opportunities available to young people outside government supported training provision. As well as asking employers whether or not they recruited young people, and the types of employment young people would be considered for, contextual data was also collected about company employment trends. Employers were asked about the numbers employed both on a full-time and part-time basis (not just young people) and about any changes in employment patterns over the last two years. They were also asked to project patterns of recruitment over the next five years and to give any indications as to why any change was likely to come about. In general, the collection of data about employment trends was intended to provide a profile of the types of companies that employed or did not employ young people, and to determine whether employment opportunities for young people had expanded or diminished in relation to the employment of older groups of workers. Finally this chapter looks at the recruitment difficulties reported by this sample of employers for all categories of workers, including young people.

5.1 Full-time and Part-time Employment Trends

Employers were asked to indicate whether over the last two years there had been any changes in the number of people employed by the company on both a full-time and

part-time basis and if they anticipated that employment levels within their organisation would rise, fall or remain static over the next five years.

Twenty four firms from the sample of 38 firms in Leicester had either maintained or reduced the number of full-time employees over the last two years, while the numbers had increased in 14 firms. A different pattern emerged in Sunderland, where the number of companies which had increased the number of full-time employees more or less equalled the number which had either maintained or reduced their full-time staffing levels (Table 5.1).

Table 5.1 Change in the Number of Full-time Employees Over the Last Two Years

	Leicester	**Sunderland**	**Total**
Increased	14	10	24
Decreased	14	7	21
Stayed the Same	10	4	14
N/A		1	1
Total	38	22	60

In both Leicester and Sunderland, the industrial sectors which had experienced increases in the number of full-time employees over the last two years were primarily in manufacturing, retail and financial services. The manufacturing sector stood out in both areas as having the highest number of firms which had increased the number of full-time employees.

Increases in full-time staffing levels over the last two years were attributed to increases in business activity, companies relocating into the area (particularly in Sunderland) and firms moving into larger premises. In Leicester, firms which had maintained the same number of full-time staff over the last two years cited a number of reasons for this, with the most notable being a stable workforce, cost effectiveness and difficulties in increasing the number of full-time staff through an inability to attract new recruits into the company. This contrasted with employers in Sunderland, where the reasons given for maintaining full-time staffing levels were the stability of the company and in some cases where business expansion had taken place, the introduction of new technology and flexible working practices, which had obviated the need to recruit extra full-time staff. An engineering firm in Sunderland which was closely aligned to the local car manufacturer Nissan was reluctant to increase staffing due to the volatile nature of the car market. The firm had adopted a strategy of coping with increases in business activity through a reliance on temporary staff.

In line with national trends, a decline in the numbers employed on a full-time basis which had occurred was attributed in both areas to a shift towards employing greater numbers of part-time workers. It was argued that part-time staff offered a greater degree of flexibility in enabling the firm to accommodate fluctuations in business activity in the firm, as well as reducing staff costs. However, two department stores (one in Leicester and one in Sunderland) were reviewing their reliance on part-time staff and were in the process of recruiting more full-time staff. The reason for this was that they had reduced the core team of full-time workers to such an extent that concerns were voiced about the ability of large numbers of part-time staff, who

worked a variety of different hours, to guarantee that business targets and standards could be achieved and maintained. It was felt that only through retaining a number of full-time staff who worked a fixed number of hours per week, could company standards be guaranteed.

In the vast majority of cases, those companies in the sample which had either increased or retained the same level of full-time staffing also reported that they employed young people on a full-time basis. Eleven firms in Leicester (out of 14) and all ten firms in Sunderland which had increased their number of full-time employees over the last two years, also stated that they employed young people. There was only one firm in the sample which had maintained the same level of full-time staffing over the previous two years, but did not recruit young people.

5.1.1 Part-time workers

In both areas, a greater proportion of firms had increased the size of their part-time workforce over the last two years. Thirty companies from the sample of 38 interviewed in Leicester had either increased or retained the same number of part-time employees. Eighteen firms reported that they had increased the proportion of part-time workers. In contrast, in Sunderland, over half of the sample stated that they had increased the numbers of part-time employees. In both areas, the most significant increase in numbers of part-time workers had occurred in the retail sector. Growth had also occurred among part-time workers in the manufacturing, consumer services, and public sectors.

In Sunderland, the twelve companies which had increased the size of their part-time workforce also recruited young people on a full-time basis, while in Leicester, fourteen of the companies which had reported growth in the size of their part-time workforce, also recruited young people. In general, it appears that, among firms in the sample which had increased the number of part-time workers over the previous two years, there had been no adverse effect on their employment of young people. However, those firms which had increased their part-time workforce had done so at the expense of full-time employment opportunities as a whole. Respondents from ten firms in Leicester and five firms in Sunderland who stated that their part-time workforce had grown, also reported that, over the same period, there had been a reduction in the number of full-time employees. These shifts were particularly noticeable among retail and public sector employers, with some change taking place on a smaller scale among manufacturing, consumer and business services sector employers.

When respondents were asked if, over recent years, they had recruited older workers on a part-time basis into jobs which had previously been occupied by school leavers, the majority in both areas claimed that this had not happened. In only six companies in each area (therefore a much higher proportion of the sample in Sunderland) was it argued that a shift towards part-time working had taken place at the expense of jobs that had previously been occupied by young people. An examination of the type of companies which had changed their recruitment patterns demonstrates some differences between the two areas (Table 5.2).

Table 5.2 Part-time Workers in Jobs Previously Held by Young Adults/School Leavers

	No	Yes	N/A	Total
Leicester	29	6	3	38
Sunderland	12	6	3	22

In Leicester, three firms in the manufacturing sector and one each from the construction, retail and financial and business services sectors, reported shifts in their recruitment patterns. In contrast in Sunderland, four firms where changes were reported in recruitment patterns, were split between the public and retail sectors, with the remaining two companies being located in the manufacturing and financial and business services sectors.

Significantly, two hosiery firms in Leicester and one local authority in Sunderland had turned to part-time working patterns because of their inability to attract young people into the jobs that they had available. Of the remaining firms where it was reported that a shift in recruitment patterns had taken place, it was claimed that this had been done on a small scale, with typically one or two clerical posts being split to accommodate greater flexibility in working hours to suit both business demands and existing employees who were seeking job-share arrangements. At a furniture manufacturer in Sunderland, a post which had traditionally been targeted at school leaver recruitment had been split into two part-time jobs, because the personnel officer believed that the job offered little development to a young person.

'I felt that a young person would not stay – the job was very boring, just filing and doing the post.'

(Furniture Manufacturer, Sunderland)

Respondents were asked if it was likely that employment levels would increase, decrease or stay the same over the next five years. It was not specified whether this referred to full-time workers or part-time workers or both. In both Leicester and Sunderland, the majority indicated that they would be either increasing or maintaining the number of people that they employed (Table 5.3). Analysis of the firms by industrial sector suggests that the firms in Leicester where it was stated that there would be increases in levels of employment were located in the manufacturing, consumer services and retail sectors. In Sunderland, 50 per cent of the firms where an increase in staffing levels was anticipated were in the retail sector. In addition, public sector employers, as well as firms from the financial and consumer service sectors, anticipated increases. When anticipated increases in employment levels were looked at in relation to the size of firm there was an even spread across the different size bands in Leicester. The position in Sunderland was slightly different, for three companies which employed over 1000 employees – two hospital trusts and one mail order company - anticipated increased staffing levels. The expansion of staff numbers in the two hospital trusts was attributed to a growth in hospital services, while the mail order company which had been established in Sunderland for many years, reported that, although their customer base had been static five years previously, as a result of new marketing strategies they had launched a new home shopping catalogue which they hoped would continue to expand the number of people employed and their working hours.

Table 5.3 Employment Patterns Over the Next Five Years

	Increase	Decrease	Stay Same	No Answer	Total
Leicester	18	3	14	3	38
Sunderland	12	0	9	1	22
Total	30	3	23	4	60

Further analysis of anticipated employment trends over the next five years revealed that those firms which reported increases were, in the majority of cases, those which employed young people. Fourteen respondents in Leicester and twelve in Sunderland, where employment growth was expected, also employed young people under the age of 19. This suggests that the companies in the sample which employed young people were those which anticipated business expansion.

5.2 The Structure of Opportunities Available to Young People

The overwhelming majority of firms included in the sample in both Leicester and Sunderland recruited school leavers (16-19 year olds) directly into jobs or training places which were not supported by government funding (Table 5.4). Access to employment was therefore more likely to come about through employers recruiting school leavers directly into employment rather than through government supported training provision.

In Leicester, three-quarters of firms in the sample were recruiting young people under the age of 19, opportunities existing for young people across all industrial sectors.

Table 5.4 Do you Employ Young People Under the Age of 19?

Area	Main Business Activity	Yes	No	No answer	Total
Leicester	Manufacturing	7	5		12
	Construction	1			1
	Retail	7			7
	Transport Services	2			2
	Consumer Services	4			4
	Financial/Business Services	4	1		5
	Public Sector	2			2
	Other	4		1	5
Total		31	6	1	38
Sunderland	Manufacturing	7		1	8
	Construction				
	Retail	6			6
	Transport Services				
	Consumer Services	1			1
	Financial/Business Services	2			2
	Public Sector	5			5
	Other				
Total		21		1	22

In Leicester, six companies in the sample did not employ young people. These included five medium sized firms in the manufacturing sector which employed fewer than one hundred people. Young people were not employed mainly because of the requirements of Health and Safety legislation and shift working patterns. The 'hassle' perceived to be involved in organising the appropriate level of supervision so that young people could operate machinery, and the restrictions imposed on the

working patterns of those aged under 18 made it 'more trouble than it was worth' for some employers.

An inability to attract young people into the hosiery industry was also mentioned in Leicester. This was despite strenuous efforts made by the companies and their local trade associations to counteract the negative image of the industry, which had become associated with 'dead end' and insecure work. This unfavourable image was put forward as an explanation for their failure to attract young people. It was also contended that this problem had been compounded in recent years by the limited availability of young people, who were perceived to be remaining in education in increasing numbers, rather than entering employment or work-based training. The introduction of Modern Apprenticeships, with the offer of higher level training packages, had done little to eradicate the problem.

'We find it difficult to recruit young people – we have sent out vacancy information to schools and had teachers in to tour the factory. We sent a letter to County Hall, inviting careers teachers and young people into the company and we had a reply from only one school. We have also tried offering work experience ... young people do not want to come into this industry and they are not encouraged to do so. They all stay on at school and then look for office work ... for many (young people) their expectations are too high.'

(Hosiery Firm, Leicester)

In Sunderland, the only firm which did not recruit young people, was a glass manufacturer, which, for reasons of low staff turnover and a lack of company growth, had not undertaken any staff recruitment for five years. The firm is a long established local company whose existence dates back to 1855. Due to a decline in the market for blown glass, the number of people employed locally had declined to a workforce of 135, whereas, at the time of Ashton et al's study, the numbers employed exceeded one thousand.

Employers were asked to state into which types of full-time jobs they recruited young people – other than for government supported training programmes. While the overall number recruited on an annual basis was small in most firms (typically two or three young people), the range of jobs available in all industrial sectors was contained within a limited group of occupational areas - clerical and customer service work, sales and warehouse work, catering and nursing assistant roles, garment machining and cleaning. While it was into this group of occupations that the majority of young people were recruited, these categories of jobs were not exclusively available to young people. They did, in the majority of cases, find themselves in competition with older workers at the recruitment stage.

A much smaller group of young people was recruited into a number of trainee positions, most notably technician level entry in accountancy, surveying and laboratory work. Entry requirements and training levels for these jobs were much higher and they were targeted solely at school leavers. At only one company was it stated that they would be prepared to recruit school leavers into any type of work

available, apart from management positions. This was a public sector employer which recruited on a local basis into clerical/administrative functions.

5.2.1 High turnover rates among young people

Respondents were asked to indicate if there were any jobs normally filled by young people which had significantly high turnover rates compared with the rest of the firm, due to them leaving. Such problems were reported in one third of the firms in Leicester which recruited young people. By contrast, in Sunderland, where employment opportunities were more limited, at less than a quarter of the firms in the sample was it mentioned that high turnover rates among young people were being experienced. In both areas, retention issues were linked to specific working patterns most notably part-time hours and to particular jobs which were concentrated in the retail and catering industries rather than at young people per se. These jobs attracted significant numbers of students who left after relatively short periods of time, to go on to college/university. Two national retailers had tried to overcome the problem of retention among students by introducing flexible working practices, which enabled students to move to a store near their college/university during term-time and return to a store near their home during the vacations, in the hope of reducing staff training costs.

Only one company in Leicester reported having high staff turnover among full-time employees in jobs which were targeted at school leavers. This was for junior clerical positions at a firm of solicitors, where it was stated that they had recruited a number of young people who left their jobs after relatively short periods of time. The respondent from the company felt that young people expected too much from their

first job and blamed schools for raising young people's expectations about their abilities in the world of work.

5.2.2 Graduate employment

As increasing proportions of young people obtain higher education qualifications and diminishing numbers of young people enter the labour market between the ages of 16-18, employers in the survey were asked whether they now recruited graduates into jobs for which they had traditionally recruited school leavers. The purpose of the question was two fold – to elicit whether employers had adapted work roles traditionally aimed at school leavers in the hope of attracting graduates with higher level skills, and to ascertain whether graduates were occupying jobs that had been designed to attract young people with lower level qualifications. Five companies in Leicester and four companies in Sunderland indicated that they had recruited graduates into jobs which were once open to school leavers.

On the whole, the trend that emerged among the sample of employers which was included in this study, was that graduates were applying for lower level jobs which were open to school leavers, as well as to other groups of workers, as opposed to employers actively replacing their intake of school leavers with graduate recruitment. Some of these employers offered routine clerical jobs to graduates, typically on a 'stop gap' basis until the graduate was able to find permanent employment. The two call centres included in the sample of employers in Sunderland recruited a number of graduates as call centre assistants. These posts required no formal qualifications, but both organisations were looking for communication skills, self-confidence and maturity among applicants, in order to deal with customers effectively over the

telephone. It was argued that graduates who applied to become call centre assistants were better equipped to deal with the general public than were younger applicants. While both companies acknowledged that, in the first instance, most graduates applied to the company to obtain work which was essentially a 'fill-in' until a graduate level job became available, staff turnover among graduates was low, despite there being few opportunities for enhancement within the organisation.

'We have had a massive expansion of jobs within the call centre and we attract a cross section of applicants including school leavers and graduates. Individuals who apply are assessed against job competences, not qualifications. Large numbers of graduates stay – we have a one per cent turnover rate.'

(Call Centre, Sunderland)

Three organisations had replaced school leaver recruitment and moved towards graduate training. These included a hospital trust, where nurse training had, in recent years, been transferred from a hospital based training programme which had recruited large numbers of 18 year olds onto three year training programmes, to degree level courses in universities/colleges. As a result, hospitals now recruit graduates directly into nursing.

One national retailer had replaced their Youth Training (YT) programme with the introduction of management training schemes targeted at 'A' Level and graduate entrants. The company had found YT increasingly difficult to manage, due to the abolition of the Large Companies Unit (LCU), which had co-ordinated youth training

provision for national firms. Since the extinction of the LCUs, the firm was expected to deal with a number of different local Training and Enterprise Councils (TECs) to organise youth training provision. This they had found too cumbersome and expensive in terms of staff resources. Consequently, the company had used this opportunity to develop a management training programme aimed at attracting young people with higher level qualifications into the organisation, and to shift towards a greater dependence on part-time workers to fill shop floor vacancies.

A clothing manufacturer in Sunderland recruited graduates into areas such as garment technology, design and planning. The need for higher levels of '*knowledge, skill and talent*' had led the company to recruit graduates into areas of employment which had traditionally been available to school leavers.

In Sunderland, a local brewery estimated that 15 per cent of bar staff employed by the organisation possessed graduate level qualifications. In an attempt to harness this talent, the company offered sales and management training opportunities to graduate employees, as an alternative to running a 'traditional' graduate training programme.

5.2.3 Jobs considered unsuitable for young people

Employers were asked if there were any semi or unskilled jobs in their organisation for which they would not consider recruiting young people. Table 5.5 illustrates that very few firms would exclude school leavers from specific areas of employment (five employers in each location). Respondents cited health and safety regulations linked to operating specific types of machinery, such as slicers/mixers, and employment legislation which prohibits young people under 18 from working shifts, as the

primary reasons for excluding young people from specific areas of work. While these firms were unwilling to recruit young people into certain areas of semi/unskilled work, they employed young people under the age of 19 in other areas of work.

Two public sector employers in Sunderland were reluctant to employ young people as cleaners, or as operatives in the cleansing department, because of the lack of training and the absence of opportunity that this type of employment offered for advancement within the organisation.

Two employers stated that young people under the age of 19 lacked the maturity and sensitivity to occupy certain jobs within their organisation. A representative from a hospital trust in Sunderland felt that it was inappropriate to employ young people where they would be expected to work with the dead or dying on a daily basis. This included employing young people working as nursing assistants or porters in areas where they would be expected to cope with terminally ill patients and their relatives or as mortuary assistants.

One large motor retailer refused to employ young people in areas where they would be expected to test drive or deliver customers' vehicles, although the company did employ young people as apprentice technicians and trainee service advisers.

'BMW drivers are ageist – they would be reluctant to see a young person driving their cars.'

(Motor Retailer, Leicester)

Table 5.5 Semi/Unskilled Jobs for Which Young People Would not be Recruited

Area	Main Business Activity	Yes	No	No Answer/NA	Total
Leicester	Manufacturing	2	4	6	12
	Construction		1		1
	Retail	1	6		7
	Transport Services		2		2
	Consumer Services	2	2		4
	Financial/Business Services		3	2	5
	Public Sector		2		2
	Other		4	1	5
Total		5	24	9	38
Sunderland	Manufacturing	2	4	2	8
	Retail		6		6
	Consumer Services			1	1
	Financial/Business Services		2		2
	Public Sector	3	2		5
	Other				
Total		5	14	3	22

5.2.4 Part-time working among school leavers

While over half of the firms interviewed in both Leicester and Sunderland employed college or school students as part-time workers, a much smaller number were prepared to employ school leavers as part-time workers. Employers' reluctance to recruit school leavers in part-time jobs was noted in the *Youth in the Labour Market* study. At that time, there was a growth in both service sector employment opportunities and in flexible working practices, and employers were increasingly targeting women returners.

Retail and catering firms in particular, in the sample, were relying on students to fill part-time vacancies and to cover peaks in business activity. The surge in the number of young people remaining in post-compulsory education had provided another source of labour to fill part-time jobs. Some companies in both Leicester and Sunderland were reluctant to recruit school leavers into part-time jobs, because they believed that young people wanted full-time work and would not stay long enough with the company to make it worth their while.

> *'We do take on a lot of students on a casual basis – we can't guarantee the number of hours that will be worked. We call them in as and when necessary, which is dependent on business needs.'*
>
> (Hotel, Leicester)

In Sunderland, one respondent from a company in the retail sector which did employ school leavers as part-time workers, mentioned that, as a substitute for a full-time job, a number of young people 'make up' full-time working hours through combining a number of part-time jobs. Given the difficulties in securing employment in the area, this employer was willing to accept this working practice among young people.

A sixth of companies in Leicester, and one third of companies in Sunderland stated that they were recruiting part-time workers into jobs which had previously been taken on a full-time basis by school leavers. There were two main reasons for this. Firstly, there was a trend within companies to move towards increasing part-time working patterns in order to create a more flexible and adaptable workforce. Secondly, employers had turned to part-time working to widen the net for potential job

applicants. In the absence of being able to find suitable young people to fill full-time vacancies, some employers had split posts in the hope of attracting older workers, in particular women returners, into jobs which had traditionally been filled by school leavers.

> *'... it is difficult to find young people of the right calibre and, if we do, their expectations from their first job are too high, so we have turned to older workers. We did employ a 70 year old for a while as an office junior. We now have two part-time female workers.'*
>
> (Legal Practice, Leicester)

5.3 Recruitment Trends

Employers were asked whether they currently experienced recruitment difficulties, not just for young people, but for all categories of staff. In Leicester, 73 per cent of respondents in the sample expressed concern about staff recruitment problems, whereas in Sunderland this applied to a little over half of the sample. While four companies in Leicester and one company in Sunderland stated that the problem was confined to their inability to recruit young people, the majority of other companies focused on problems relating to local skill shortages or the inability to attract people to work particular shift patterns. Employers in Leicester reported problems recruiting skilled workers in electronics, mechanical engineering, catering (chefs), and experienced personnel in travel and tourism. Semi-skilled and unskilled jobs in the hosiery industry were also reported to be difficult to fill. Some firms in Sunderland reported recruitment difficulties which were attributed to the influx of new companies into the area, so that many companies were 'fishing in the same pond' for staff to

work as customer service advisers in call centres and production workers in electronics firms.

As far as particular shift patterns were concerned, call centres and large retailers reported this problem and highlighted twilight working hours as being the most difficult shift for which to recruit and retain staff.

Faced with anticipated and actual skill shortages, most notably in mechanical engineering and construction, many of the employers in the sample stated that they had turned to apprenticeship training as a way of rectifying the problem, only to find a shortage of young people applying for training (see Chapter 6).

5.3.1 Recruitment levels

Over the previous two years, most companies in the sample had either increased or maintained the number of young people that they employed on a full-time basis. This finding runs counter to the widespread belief that job opportunities available to young people are in continual decline. In both localities, over a third of companies had increased the number of young people they recruited. In Leicester, these firms were predominantly in the retail, manufacturing and consumer services sectors, with the majority employing between 200 and 499 people. By comparison, in Sunderland, the firms which had increased the number of young people that they employed were located in the retail and public sectors and were primarily large firms (over 500 employees). Around one-quarter of firms in Leicester, and over a third of firms in Sunderland had maintained the number of young people that they employed.

Business expansion, a commitment to replacing an ageing workforce, and a decision

to meet anticipated skill shortages through the recruitment and training of young people, were the primary reasons given. Two companies had used the availability of Modern Apprenticeship funding to bring young people into their businesses because of their concerns about employing an ageing workforce:

> *'We do have an ageing workforce and we have made a commitment to bringing in younger people – the financial incentives offered, in particular, by the Modern Apprenticeship programme have helped.'*
>
> (Retailer, Leicester)

5.3.2 Recruitment difficulties

While employers in the sample in Sunderland reported experiencing few problems attracting the young people they required, some companies mentioned that they faced increased competition for young people from the influx of new companies moving into the area. One firm, which for many years had retained an apprenticeship training programme, felt that they were in increasing competition from Nissan and its supply chain companies and found it more difficult to attract potential high quality applicants for their training programmes.

5.3.3 The impact of increased participation in full-time education

The scarcity of young people seeking entry to the labour market, because of their increased participation in post-compulsory education, was identified as a problem experienced by a number of companies in Leicester which had either maintained or reduced the proportion of young people they employed on a full-time basis. Respondents from these firms stated that they would have increased the number of

young people that they employed, had they been able to recruit them. In addition, recruitment difficulties, in terms of being able to attract school leavers who can offer sufficiently high levels of qualifications, were cited by companies in both areas. The lack of availability of young people had led some companies to split full-time jobs into part-time positions, in order to attract a different age group of applicants, most notably women returners.

There was a firm belief among many respondents that the expectations of young people have been increased to an unrealistic extent by the drive to encourage ever-greater numbers of young people to remain in post-compulsory education. This had manifested itself in two ways. Firstly, employers believed that some young people are being encouraged to stay on at school without considering the work-based training route and are, in effect, failing to consider the full range of options open to them. As a result, some employers were struggling to fill vacancies and training places which have traditionally been targeted at 16/17 year-old school leavers. Secondly, some employers failed to attach additional value to the post-compulsory education gained by many 17 and 18 year olds, and would only consider them for the same level of entry into employment as they would have done if they had left school at 16.

A small number of firms stated that they were unable to increase the number of young people that they employ, because of the imbalance that it would create in the work force. The need for adequate supervision of young people, and the cost of providing this, meant that some employers carefully monitored the number of young people that they recruited. This was particularly the case for small firms which found it difficult to carry the burden of training too many new and inexperienced staff and in newly

formed businesses where production outputs were carefully balanced against the need to recruit and train new staff.

Summary

Different employment patterns emerged between employers in Leicester and Sunderland in relation to the number of full-time and part-time staff that have been employed by the companies over the last two years. In Sunderland, a far greater number of employers in the sample had increased the number of full-time employees over the last two years. Most of the increases in full-time staffing had occurred in the manufacturing sector. By contrast, in Leicester, part-time staffing had increased to a much greater extent and this had been achieved through the reduction of full-time employment opportunities. While some firms in the manufacturing sector had increased part-time working at the expense of full-time working, this trend was prevalent among firms in the retail sector.

The majority of firms in the sample in both Leicester and Sunderland employed young people, other than through government supported training programmes. The number of young people employed was typically small (between one and three), and most were employed in jobs that were not exclusively open to young people. That is, employers were willing to recruit most groups of workers into those occupations. A much smaller number of young people were employed as 'trainees' in sectors such as accountancy, surveying and medical services, where qualification levels for entry into the job were higher. These jobs were exclusively open to school leavers. There was no evidence among the sample of firms interviewed in Leicester and Sunderland that increases in the number of part-time jobs had come about through a massive

reduction in the number of job opportunities open to young people. On the contrary, a small number of firms had moved towards part-time working because they were finding it increasingly difficult to recruit school leavers due to rising levels of participation in post-compulsory education.

Most of the companies in the sample which anticipated increases in employment levels within their organisation over the next five years employed a number of young people.

There was no evidence that employers had significantly higher levels of staff turnover among young people. It was acknowledged that some young people, particularly students, occupied jobs which had high turnover rates, but the nature of the work (routine catering and cleaning), and often the shift patterns attached to them, contributed to high staff turnover to a much greater extent than the age of the workforce. While many employers were willing to recruit students into part-time jobs, part-time working among school leavers was much less prevalent. Most respondents recruited older groups of workers into part-time jobs believing that young people would be looking towards securing full-time work.

While a significant number of respondents in the sample employed graduates in the types of work they would have also recruited school leavers, there was no evidence that employers were actively recruiting graduates into jobs that had once been exclusively available to school leavers. Rather, graduates were employed in routine level jobs, often with a view towards it offering 'stop gap' employment. However a number of firms, particularly in Sunderland, reported that graduates were remaining

with their organisations for significant amounts of time, without the opportunity for further advancement.

Staff recruitment problems for all groups of workers were far more acute among firms in Leicester. High levels of unemployment in Sunderland enabled firms in the area to experience few recruitment difficulties. Firms which had experienced or anticipated a growth in their business activity recognised the need to recruit and train young people to meet future skill needs. However, in Leicester, a number of firms reported that their plans had been thwarted, because of an inability to recruit young people with qualifications (four or more GSCEs), because of increasing levels of participation among young people in full-time post-16 education.

CHAPTER 6

EMPLOYERS' PARTICIPATION IN GOVERNMENT SUPPORTED TRAINING PROVISION

This chapter examines employers' participation in government supported training provision from the sample interviewed in Leicester and Sunderland. It compares and contrasts the types of employment and training opportunities that existed for young people on the Modern Apprenticeship and Youth Training programmes with those available to young people who enter the labour market without the assistance of government supported training provision. Finally, this chapter examines the extent to which employers encountered difficulties recruiting young people for Modern Apprenticeships and Youth Training.

6.1 Employers' Participation in Government Supported Training Provision

While the majority of the firms in the sample employed young people, a much smaller number of employers were actively involved in government supported training provision. In both areas, a greater proportion of firms recruited young people into Modern Apprenticeships (MAs), as opposed to Youth Training (YT). At the time the fieldwork was undertaken, YT was 'winding down' as part of government supported training provision and was about to be replaced with National Traineeships and the newly launched New Deal. Respondents from four companies in Sunderland stated that they had withdrawn from YT, with the intention of re-launching their commitment to youth training through New Deal/National Traineeships.

Table 6.1 Participation in Government Supported Training Provision

	Leicester	Sunderland
Yes	17	12
No	21	10
Total	38	22
YT	7	5
Modern Apprenticeship	10	7
Total	17	12

Table 6.1 illustrates the number of companies in Leicester and Sunderland which were participating in government supported training provision. A larger proportion of firms in Sunderland was actively involved in government supported training provision. This could be directly attributed to the high levels of unemployment in the area and to the limited range of job opportunities available to young people which has resulted in a greater number of employers relying on government supported training provision to underpin their recruitment of young people. In areas where there is a lack of job opportunities, employers are able to utilise the availability of government funding to support training places that might not otherwise have existed and to supplement anticipated levels of recruitment and training.

In 1998, within the north-east region, 15 per cent of school leavers entered government supported training provision. This was significantly higher than in all other regions and more than double the rate for England as a whole. In the East Midlands (which includes Leicester), only six per cent of young people entered

government supported training provision (DfEE, 2000a). In addition, the Economic Assessment of Sunderland 1998 noted that Sunderland had the lowest staying-on rate in post-compulsory education in the north-east region, while the city had the fifth highest percentage of young people entering Youth Credits (Youth Training) of any Careers Service in England (Sunderland City TEC, 1998).

Employers were asked to give their reasons for not participating in government supported training provision. The bureaucracy associated with government training was seen as a deterrent, with employers preferring to organise their own training programmes. One large accountancy firm decided against offering Modern Apprenticeships because it was felt that the programme would have little credibility within the profession and that government money would be better spent in industrial sectors which had less well developed training programmes for young people.

'We were offered a Modern Apprenticeship in accountancy but on moral grounds we turned it down, because the company is committed to its own training programme. We felt that the government was wasting its money and it would be more wisely spent on other (industrial) sectors. In addition a Modern Apprenticeship in accountancy would be classified as a 'Cornflake packet' qualification.'

(Accountancy Firm, Leicester)

In three companies in Leicester the possibility of offering MAs was being explored, although problems in identifying NVQs that were compatible with their industry had emerged. These companies were in the printing, electronics and food production sectors. In addition, respondents from the printing and electronics companies felt that

off-the-job training provision, which was offered primarily through local further education colleges, was incompatible with their ever changing business needs, and that the equipment available in colleges was outdated.

6.1.1 Companies' involvement in government supported training provision by industrial sector

Table 6.2 highlights participation in government supported training provision by industrial sector. In both Leicester and Sunderland, company involvement in youth training programmes was evenly spread across most industrial sectors, with one notable exception. In Leicester, two-thirds of the manufacturing firms (eight in total) had no involvement in government supported training programmes for young people, while only one manufacturing firm in Sunderland did not recruit young people into training provision. Government training provision in the manufacturing sector in both Leicester and Sunderland was dominated by apprenticeship training (typically craft and technician training in mechanical and electrical engineering). While in Sunderland the sample of firms from the manufacturing sector (eight in total) was largely made up of engineering firms, in Leicester the sample of firms in the manufacturing sector (12 in total) was more diverse. It included a number of food manufacturers, which offered large numbers of semi- and unskilled production jobs, which were tied to shift work patterns and attracted older workers, and clothing and textiles companies which had found it increasingly difficult to recruit young people (see 5.2).

Half of the manufacturing firms in Leicester which were not engaged in government supported training did not employ young people under the age of 19 in any capacity

within their organisation. This was largely attributable to the shift work patterns that were operational within these organisations, which made it difficult to employ under 18s, and to Health and Safety requirements which restricted the use of machinery or required close supervision for under 18s (5.2.3). Two employers were reluctant to employ school leavers because of the mundane and physical nature of the work they were able to offer. They felt that the type of work available, which was physically demanding and unsuitable for most school leavers and offered little or no opportunity for training, would restrict a young person's career development. One employer commented:

> *'We have no capacity to train young people, it is factory work and is strenuous, which may be difficult for young people.'*
>
> (Dyers and Finishers, Leicester)

In one textiles firm, the recruitment of young people through youth training provision had been abandoned, due to the inability of a local training provider to find suitable young people to fill YT places. In an attempt to recruit young people into the industry, the company advertised full-time permanent jobs, which were not supported by government funding. The negative image of both the hosiery industry and youth training provision locally was considered to be a barrier to recruiting young people into the industry (5.2).

Table 6.2 Involvement in Government Supported Training Provision by Industrial Sector

Area	Main Business Activity	Yes	No	No answer[1]	Total
Leicester	Manufacturing	4	8		12
	Construction	1			1
	Retail	3	3	1	7
	Transport Services	2			2
	Consumer Services	1	2	1	4
	Financial/Business Services	2	3		5
	Public Sector		2		2
	Other	2	2	2	5
Total		15	19	4	38
Sunderland	Manufacturing	7	1		8
	Retail	3	3		6
	Consumer Services			1	1
	Financial/Business Services		1	1	2
	Public Sector	3	2		5
	Other				
Total		13	7	2	22

6.1.2 Modern Apprenticeships/Youth Training

In both Leicester and Sunderland, over half of the firms which participated in youth training provision recruited young people into Modern Apprenticeships. The Modern Apprenticeship programme offered higher levels of training to young people than was offered through YT and employers had to guarantee employed status to a young person at the beginning of the training programme. A young person on a Modern Apprenticeship is expected to achieve NVQ level 3 at the end of their training

[1] Employers listed under this category included those who at the time of interview were not involved in government supported training but who intended to participate in New Deal and National Traineeships.

programme, while for a young person on YT the qualification target was NVQ level 2 or equivalent.

Only three firms in Leicester and two firms in Sunderland offered both Modern Apprenticeships and Youth Training programmes. Not surprisingly, these were large manufacturing firms, where resources were available to support both types of training programme.

The timing of the study coincided with the planned replacement of YT with National Traineeships and the promotion of the Modern Apprenticeship programme as the 'new form' of youth training. A significant number of the employers in the sample who were involved in government supported training provision had 'signed up' to the Modern Apprenticeship programme. In so doing, these employers were committed to offering recognised levels of training to NVQ level 3 or equivalent, while at the same time they were guaranteeing some security of employment to young people. The notion that a large proportion of employers were using youth training provision as a source of cheap labour, which could easily be disposed of, or replaced (Raffe, 1988; Roberts and Parsell, 1992; Lee et al, 1987; see 2.2.2), or that they were unwilling to commit themselves to the training of young people, cannot be substantiated by the findings from this study.

6.1.3 Employers involvement in the employment and training of young people

During the course of the interview, employers were asked firstly, whether they employed young people (under 19) in jobs that were not supported by government funding and secondly, if they participated in government supported training provision

(Table 6.3). Fourteen firms in Leicester employed young people under the age of 19 and at the same time also participated in government supported training provision. In Sunderland, the proportion of firms employing young people directly and through youth training provision was higher. Thirteen of the 21 firms which employed young people under the age of 19, also participated in government supported training provision. What emerges from an analysis of the data, is that employers were using government supported training for entry into different types of job opportunities to those that were available through direct recruitment.

Table 6.3 Employers' Involvement in the Employment and Training of Young People

Region			Participate in Government Supported Training provision?				Total
			No answer	Yes	No	Not at moment	
Leicester	Under 19s employed?	No answer				1	1
		Yes	3	14	14		31
		No		1	5		6
	Total		3	15	19	1	38
Sunderland	Under 19s employed?	Yes	2	13	6		21
		No			1		1
	Total		2	13	7		22

A comparison of the types of jobs and the levels of training offered to young people who were supported by government funding and those who were not, revealed that those young people who entered youth training provision (the Modern Apprenticeship programme in particular), tended to be offered access to higher level jobs, better training and higher wages. The remainder of this chapter will focus on an examination of the types of job opportunities offered to young people through government supported training provision. It will examine whether recruitment patterns for youth training programmes (Youth Training and Modern Apprenticeships) and the levels of training offered have changed and how they compare to jobs that were available to young people outside government supported training provision. Finally, this chapter will examine whether employers were experiencing any recruitment difficulties for opportunities that were available through government supported training provision.

6.2 Employers' use of Youth Training (YT)

From the sample of firms included in this study, the findings would suggest that employers' use of Youth Training (YT) provision was limited in both labour markets. Again, the proportion of firms using the scheme was higher in Sunderland in comparison to Leicester. In total, six companies in Leicester and five companies in Sunderland utilised the Youth Training programme as a source of recruitment and training of young people.

Seven out of the eleven companies which ran a YT programme acted as placement providers. That is, the YT programme was managed by a local training provider who

arranged the recruitment of young people onto the programme and was responsible for the training provided under contracts arranged through local Training and Enterprise Councils (TECs). Local companies were recruited by training providers to offer young people work experience and training in different occupational areas, in return for securing a financial return for the training offered. While two respondents were unable to specify whether they were placement providers, training providers or both, three large companies (two in Sunderland and one in Leicester) acted as both training providers and work experience providers. These firms were large enough to run their own Human Resource departments, and found it more cost-effective to organise training contracts directly with local TECs, as they were in a position to both recruit and manage the training of the young people.

In Leicester, no definite pattern emerged when the companies were analysed by industrial sector and size of firm, in relation to their participation in YT. Companies which recruited young people via YT included small firms (a hairdressing salon and a motor vehicle workshop), as well as large firms (a distribution centre, national retailer, a multinational hotel chain and a knitwear manufacturer). By contrast, in Sunderland, four out of five companies which recruited young people onto a Youth Training programme were large firms in the manufacturing sector – a local brewery, a furniture manufacturer, a multinational electronics firm and a clothing manufacturer. In addition, a local department store ran a YT programme.

Within the Youth Training (YT) framework, employers were encouraged, but not required, to offer employed status to trainees. Therefore, young people could be recruited as trainees, offered the basic Youth Training allowance of £35 each week

and, at the end of the training programme, employers were under no obligation to guarantee employment. Employers in the sample were asked if they offered employed status to all, some or none of their trainees. In Leicester, where employers find it more difficult to recruit young people, most of the companies which recruited through YT offered employed status to all trainees. The remainder of the firms which used YT offered employed status to some trainees, with a proportion being recruited as 'trainees' until they could assess a young person's suitability for permanent employment and/or until they could find a suitable job for the young person within the organisation. In Sunderland, only one manufacturing firm indicated that they would offer employed status to all young people taken on through YT. Two companies gave employed status to some young people on YT, again using the programme as an assessment period for the rest. Two of the four firms which used YT to recruit young people, did not offer offered employed status to trainees and left any commitment to employing the young person until end of the training programme. The reluctance of employers in Sunderland, where larger than the average number of young people leave school at 16 and where job opportunities are limited, to guarantee employment to young people, may be indicative of the over supply of young people to fill training places/vacancies and of the lack of pressure felt by local employers to offer permanent job opportunities to young people.

6.2.1 Occupational training within Youth Training

The employers in the sample were asked to specify the occupations for which they had recruited young people through YT over the last year. Table 6.4 outlines both the occupational groupings and the specific occupational areas within these groupings to which young people had been offered training. Training opportunities for young

people on YT were restricted to a small number of occupations. The majority of firms recruited between one and three YT trainees each year. One notable exception was a brewery in Sunderland which had recruited 22 young people through YT and approximately ten young people on Modern Apprenticeships over the previous 12 months. Seventy per cent of their YT trainees were granted employed status. The training manager explained that the company had been established in the locality for many years and remained a family business. Due to strong local ties, the company felt it had a *'strong commitment'* and a *'moral obligation'* to provide training opportunities in the locality and went to great lengths to make a business case for doing so.

Table 6.4 YT Occupational Groupings

Occupational Grouping	Occupational Area
Associate prof/technical	Laboratory work
Clerical & Secretarial	Junior secretarial and clerical work
Craft & Skilled Manual	Craft Apprenticeships– (mechanical/electrical)
Personal & Protective Services	Apprentice hairdressing Hotel and Catering (Portering and Conference/banqueting)
Sales	Trainee Sales (retail)
Plant & Machine Operators	Warehouse work Machine operating (textiles)
Others	Stable work

Those companies which ran a YT programme offered young people training to NVQ level 2 or equivalent, in accordance with the training targets set for the programme. In order to identify the way training was organised within companies for young people on government supported training programmes, respondents were asked to outline how the YT programme was delivered. The companies were equally split between those which offered a combination of on- and off-the-job training to young people, and those which offered all training to young people in-house, that is within the company. Particular differences could not be identified between different types of business activity.

6.2.2 The delivery of on and off-the-job training within Youth Training

Off-the-job training for young people on YT took place at either a College of Further Education or at training centres run by training providers. The focus of the off-the-job training delivered was to ensure the completion of a vocational qualification to NVQ level 2 or equivalent. Since the payment of training allowances to employers offering YT was based on output related funding, namely the requirement that a young person achieved specified training targets (usually NVQ level 2), this acted as an incentive to both employers and training providers to ensure that young people achieved the goals set.

Where the YT provision offered by employers was delivered in-house, there tended to be either a training manager who had qualified as an NVQ assessor and was therefore able to deliver training or an arrangement for trainers from a local training provider to organise in-house training.

Concern was expressed by some respondents about the variation they believed to exist in NVQ assessments and standards. One large textile firm in Leicester refused to accept NVQs as an indication of training standards if young people had acquired their NVQs with specific Training Providers in the city:

> *'... we have had people here who had NVQs but when we tested them, they were not of the equivalent standard to the training we offer here as part of our NVQ programme ... we had to bring them up to speed.'*
>
> (Textiles Company, Leicester)

6.3 Employers' Use of Modern Apprenticeships

In total, from the sample of employers included in the survey, ten employers in Leicester and seven employers in Sunderland recruited Modern Apprentices. Employers' use of the Modern Apprenticeship programme was greater than their involvement in YT. Table 6.5 demonstrates employers' involvement in the Modern Apprenticeship programme by main business activity. While in Leicester, firms which offered Modern Apprenticeships were evenly spread across most business activities, in Sunderland they were concentrated in the manufacturing, retail and public sectors. In addition, when participation in the MA programme was analysed by size of firm, some variations emerged between the two labour markets. While in Leicester, employer participation in the MA programme covered most business activities and spread across a range of firms, in terms of the numbers employed, in Sunderland participation in the training programme was concentrated in a small number of business activities and in large firms. Six out of the seven firms which ran

MA programmes employed over 500 people, and the one remaining firm employed between 200 and 499 people.

Table 6.5 Employers' use of the Modern Apprenticeship Programme by Business Activity

Region	Main Business Activity	No	Yes	Total
Leicester	Manufacturing	9	3	12
	Construction	1		1
	Retail	5	2	7
	Transport services	1	1	2
	Consumer services	4		4
	Financial or business services	3	2	5
	Public sector	2		2
	Other	3	2	5
Total		28	10	38
Sunderland	Manufacturing	4	4	8
	Retail	5	1	6
	Consumer services	1		1
	Financial or business services	2		2
	Public sector	3	2	5
Total		15	7	22

6.3.1 Occupational training within Modern Apprenticeships

Employers in the sample were asked to specify the occupational areas in which Modern Apprenticeships were available. In both Leicester and Sunderland, a wider range and a higher level of training opportunities were offered by employers under the MA programme than was the case with YT. Table 6.6 outlines both the occupational groupings and the specific occupational areas within these groupings in which MA training was available. While there was some overlap between YT and MAs in terms of the occupational groupings, there was a significant difference between the two

programmes when employers were asked about the level of training. Modern Apprentices were expected to achieve NVQ level 3 or equivalent at the end of their training, while the target for young people on a YT programme was to achieve NVQ level 2 or equivalent. Therefore, some 'gap' between the type of training could be expected. However, what emerged from the analysis of the data was that young people who were undertaking MAs were gaining access to much higher levels of training and employment, in comparison to their counterparts on YT, and, in doing so, were entering much higher level occupations. MA training was concentrated in the occupational groupings of associate professional and technical, clerical and secretarial and craft and skilled manual, while personal and protective services, sales and plant and machine dominated YT. In addition, where some overlap did occur, such as in clerical occupations, the level of training and the types of occupations that were available within the programme were very different. For example, MA training in clerical work consisted of sales administration, travel agency work and accounts, while YT opportunities in clerical work was made up largely of routine clerical functions. Therefore the differences between the two programmes were much more significant than just the attainment of either an NVQ level 2 or level 3.

While both YT and MAs provided training opportunities in sales work, the type of work and training, and the scope for progression were vastly different. Sales opportunities within YT were concentrated in shops and stores offering training to young people to work as sales assistants in a local store and to attain a relevant NVQ at level 2. There was little or no opportunity to progress to supervisory or management training, either within the programme or after its completion. Within the MA programme, examples of sales work included training in motor vehicle sales with

the opportunity to progress directly onto management training programmes run by national companies, and a multinational organisation which provided specialist training in buying and selling foreign currency, and gave young people the opportunity for progression at the end of the initial training period.

Table 6.6 MA Occupational Groupings

Occupational Grouping	Occupational Area
Associate professional/technical	Trainee Accountancy Technician Apprenticeships
Clerical & Secretarial	Travel sales and administration Administration Sales/accounts
Craft & Skilled Manual	Craft Apprenticeships (mechanical/electrical/motor vehicle)
Personal & Protective Services	Apprentice hairdressing
Sales	Sales work (retail and motor vehicle)

One of the aims of the Modern Apprenticeship training programme is to provide young people with a higher level training programme and to give employers the opportunity to recruit young people with higher level qualifications to meet future skill needs. What is not so readily apparent is the extent to which entry into MAs determines access to a very different set of career paths, in comparison to those available to young people who enter YT and, perhaps, its successor, National Traineeships. Therefore, entry into one type of government supported training provision rather than the other, appears to be more than the difference between the

acquisition of either an NVQ level 2 or a level 3. It may ultimately affect the future life chances of the young person, in terms of access to occupational training and future progression within the organisation.

6.3.2 The availability of Modern Apprenticeships by firms' business activity

Table 6.7 details the distribution of the occupational areas available within MAs between the sample companies in relation to business activity. Those employers which, prior to the introduction of the MA programme, operated an apprenticeship training programme, had, on the whole, re-launched the training they offered under the Modern Apprenticeship banner. These companies were from the manufacturing, transport and construction sectors, where craft and technician apprenticeship training had traditionally been offered. In some cases, the funding available through participating in the MA programme supported the training of apprenticeships that companies would otherwise have found difficult to sustain, while for others it was clearly supporting training that would have been on-going within the company, regardless of government supported training.

Table 6.7 MA Occupational Areas by Business Activity

Main Business Activity	Manufacturing	Construction	Retail	Transport	Consumer Services	Financial/ Business Services	Public Sector	Other
Assoc. Prof tech	1					1	1	
Clerical/Sec	3		1			1	2	
Craft & Skilled Manual	5		1					
Personal & Protective Services	1				1		1	
Sales			3			1		1
Plant & Machine Ops	1							
Other	1							

The introduction of MAs was being utilised by some organisations as a method of '*bringing in new blood'* and replacing an ageing workforce, while others were using the programme as a way of overcoming skill shortages, '*by growing their own'*. While most employers recruited between two and four Modern Apprentices each year, one public sector employer in Sunderland recruited, on average, 15 each year. This organisation was using MAs to recruit all, or most, personnel in administration and technical jobs. Young people were recruited as MAs and 'hosted' by different departments, where they received their initial training. This pool of labour was then used to fill vacancies that arose within the organisation. MAs were being used as part of a development strategy to meet future skill needs, through the recruitment and training of young people.

6.3.3 Qualification targets within Modern Apprenticeships

At the end of a Modern Apprenticeship programme, young people are expected to achieve NVQ level 3 or equivalent. Attainment of this qualification target triggers most of the payment that both employers and training providers receive from Training and Enterprise Councils (TECs) for offering training to young people. Given that payment is linked to qualification outputs within government supported training programmes for young people, it was not surprising to find that the employers in the sample which offered Modern Apprenticeships reported that their trainees obtained NVQ level 3 or equivalent at the end of the training programme. However, three employers reported that some Modern Apprentices in their organisations ultimately achieved NVQ level 4 by the end of their training programmes. This included two firms which offered accountancy training within Modern Apprenticeships. Over a two-year period within certified or chartered accountancy training, it was reported that

young people would be expected to reach NVQ level 4 or equivalent. Firms which offered Modern Apprenticeships in accountancy, recruited 18 year old school leavers with 'A' levels, as opposed to 16 year olds with GCSEs, which may explain the difference in qualification attainment at the end of the training programme. A large engineering firm in Leicester, stated that some of its apprentice technicians were capable of obtaining NVQ level 4 within a Modern Apprenticeship training period, particularly if they had started the training programme with a minimum of four good GCSEs (grade C or above).

6.3.4 The delivery of on and off-the-job training within Modern Apprenticeships

Employers were asked to describe how the Modern Apprenticeship training package was organised within their organisation. All respondents reported that the training package they offered to young people included a combination of both on and off-the-job training. In Leicester, off-the-job training was delivered at colleges, by training providers, or in-house by training departments. The sample in Leicester was equally split between the three types of off-the-job provision, i.e. colleges, in-house training and training providers. In addition, companies did not combine different types of off-the-job provision within their Modern Apprenticeship programmes.

By contrast, in Sunderland, off-the-job training within Modern Apprenticeships was delivered solely at local colleges. Analysing the data by size of firm (and therefore the likelihood of large companies having their own training departments), by industrial sector (with some occupational training more likely to be delivered at a college rather than by training providers or company training departments because of equipment requirements), and by the number of young people recruited into Modern

Apprenticeships (which might make it more cost-effective to use one mode of provision rather than another), failed to deliver an explanation for this trend.

6.4 Job and Training Opportunities for Young People Both Inside and Outside of Government Supported Training Provision

Ashton et al's study of the youth labour market concluded that each local labour market is made up of a number of hierarchically ordered market segments. Each segment could be made up of an occupational area that spreads across a number of industries, such as clerical work, or be restricted to an occupational area, which is confined to one industry, such as hairdressing. It was argued that the composition of market segments varied between local labour markets depending on the characteristics of local industry. Local labour market segments determined 'the structure of opportunity' available to the workforce in general, and to young people in particular. It was found that each labour market segment tended to have a different pattern of entry for young people and it was this that gave 'the youth labour market its distinctive characteristics' (Ashton et al, 1982, p.25).

The emergent findings from this recent study of employers are that young people who leave school between the ages of 16 and18, find their way into the labour market through one of three routes – they are recruited directly into employment or they enter employment through government supported training provision either YT (or its successor National Traineeships) or Modern Apprenticeships. The 'structure of opportunities' available to young people, in terms of access to training and

development, varied according to the route they followed into the labour market, that is, through direct employment or government supported training provision.

An analysis of the data suggests that the route that a young person takes can determine the labour market segments that they are able to access. In addition, when young people entered the same occupational grouping or segment, variations existed between the levels of jobs that they entered, depending on their route into the labour market. Table 6.8 compares the job opportunities that were available to young people, depending on whether they entered employment directly or through a MA or YT programme.

Table 6.8 **Occupational Grouping Accessed by Young People Through Direct Employment and Government Supported Training Provision**

Occupational Grouping	Direct Employment	Youth Training	Modern Apprenticeships
Associate prof/tech	Trainee accountant Trainee surveyor Laboratory work	Laboratory work	Trainee Accountancy Technician Apprenticeships
Clerical & Secretarial	Call centre Assistant Clerical/admin	Junior secretarial & Clerical work	Travel sales Administration Sales/accounts
Craft & skilled manual		Craft apprenticeships (mechanical/elect)	Craft apprenticeships (mechanical/elect/motor vehicle)
Personal & Protective Services	Nursing Assistants Conference/room attendants – hotels Assistants (fast food)	Hairdressing Hotel & catering (semi/unskilled)	Hairdressing
Sales	Warehouse assistant Sales assistants	Trainees sales (retail)	Sales work (retail & motor vehicle)
Plant and Machine Operator	Laboratory Processing Machine operating	Warehouse work Machine operating (textiles)	
Others		Stable work	

Young people entered sales work through direct employment, as well as through YT and MAs. However, the type and level of jobs offered varied between the three types of labour market entry. Through direct employment, young people were employed as sales assistants, and their training was restricted to company training. Young people who entered sales work through YT were entering similar levels of work to those who had entered through direct employment, but they were able to access nationally recognised qualifications as well as company training. Sales training within MAs was company based and young people were offered training to NVQ level 3, but were in receipt of training that would lead to supervisory or management positions within the company.

While the number of firms in the sample which recruited young people directly into employment was greater than those which relied on government supported training provision, the levels of jobs offered, in terms of access to training and the acquisition of vocational qualifications were, on the whole, lower. Young people who entered employment through this route, also found themselves in competition for jobs with other groups of workers. There were one or two notable exceptions, such as the accountancy firm which was, in principle, opposed to the idea of accepting government funding to support training that they were already doing, and a construction firm which employed young people as trainee surveyors and offered professional training.

Firms which recruited young people directly into employment typically offered in-house training. Access to off-the-job training and the acquisition of nationally recognised qualifications was limited. For those young people who entered the labour

market through YT, the programme did offer access to vocational training and qualifications, but the levels of jobs that young people were entering were similar to those offered through direct employment. While there was some overlap in the training offered between YT and MAs, for example in craft and skilled manual work, the level of training offered in MAs was higher - NVQ level 3 or 4.

The third tier of entry to the youth labour market was that offered through the Modern Apprenticeship programme. Young people who entered the labour market by this route accessed higher level jobs, they were guaranteed employed status for the length of their training programme and on the whole, were given much higher levels of training in comparison to those entering the youth labour market through direct employment or YT.

6.5 Employers' Recruitment Difficulties

While only one firm reported encountering any problems recruiting young people for government supported training programmes in Sunderland, seven firms in Leicester experienced difficulties filling MAs, with a further three experiencing recruitment difficulties for YT vacancies.

In Leicester, employers found it difficult to attract both the number and the calibre of young people they were looking for to complete Modern Apprenticeships. The need for employers to offer employed status, coupled with the requirement within a Modern Apprenticeship for a young person to complete a qualification to NVQ level 3, meant that most employers were looking for good quality applicants, essentially

young people with a minimum of 3/4 GCSEs. Some employers reported making strenuous efforts to attract young people, through open days, school visits and promotional activities organised by Training Providers. Despite the marketing of work-based training, employers felt that they were failing to compete effectively with local schools/colleges for young people and training places remained unfilled.

'We placed vacancy advertisements in all secondary schools – the response was nil. We then placed advertisements in the local newspaper and the response was virtually nil. Then the local Engineering Training Group helped us, and we were then able to fill our vacancies. The problem is the schools are hanging on to them, particularly if they are of good calibre.'

(Engineering Firm, Leicester)

In Sunderland, one large motor retailer, which operates a nation-wide Modern Apprenticeship programme, received on average 200 applications, for approximately ten MA vacancies which were available locally. While the employer had no problems recruiting young people who met the entry requirement of a minimum of four GCSEs in Sunderland, the company reported that they were struggling to attract young people in most other parts of the country. The belief in Sunderland that being able to secure a job with a local employer was preferable to remaining in education with no future guarantee of employment was identified in Ashton et al's study. There was some evidence that this tradition still holds true in Sunderland and the notion appears to be supported by destination statistics which demonstrate a lower than national average staying-on rate in post-compulsory education, with much higher proportions of young people entering work-based training or employment at 16.

While firms in Sunderland experienced few recruitment difficulties, some reported problems retaining young people on Modern Apprenticeship programmes. This was attributed to the length of time it takes to complete a Modern Apprenticeship, with some young people preferring to move on to a better paid job rather than completing their training period.

'We have a high drop out rate from Modern Apprenticeships. Young people do not understand Key Skills and the length of Modern Apprenticeships makes them difficult for them to complete. They operate in a culture where they place the opportunity to move on and earn more money over the value of remaining with the same company to complete a Modern Apprenticeship.'

(Brewery, Sunderland)

Age also proved to be a barrier to employment, in particular for traditional apprenticeship training programmes. Some employers believed that young people who had remained in education until the age of 18 were 'too old to train' – stating that the discipline of the working environment was much more difficult to instil at this later age. This finding was pertinent to employers who had converted their formal apprenticeship programmes in the engineering and construction sectors into Modern Apprenticeship programmes.

Overall, it was the Modern Apprenticeship programme, particularly among those employers which, prior to the introduction of the scheme, had been involved in apprenticeship training, that offered the highest levels of training and development to

young people and which was confined solely to school leavers. However, this group of employers experienced the greatest difficulties recruiting potential young recruits. Employers' demands for young people with the qualifications needed to complete their training programmes exceeded the supply of young people who were entering the labour market at 16/17, particularly in Leicester. Since these opportunities were largely defined as 'sheltered' jobs for school leavers, most of these employers were reluctant to open out their recruitment to older applicants.

> *'Young people stay on at school – its 'bums on seats' as far as the schools and colleges are concerned, regardless of whether it is the most suitable option for the youngster. The young people who do apply to us usually have poor educational qualifications, lack ambition and demonstrate a poor work attitude. We need four good GCSEs.'*
>
> (Accountancy Firm, Leicester)

In contrast, firms which offered lower level jobs to young people, reported fewer recruitment problems. Where this was an issue, such as in the hosiery industry in Leicester, or in fast food outlets, firms were prepared to look at other sections of the labour force, such as women returners or students, to overcome the competition they faced to recruit school leavers. While employers were willing to recruit young people into these occupational areas, the opportunities were not exclusively available to school leavers. Young people 'competed' with older workers for access to employment opportunities.

Summary

Fewer employers in both Leicester and Sunderland were found to recruit young people into opportunities supported by government training programmes, in comparison to the number which employed school leavers directly into jobs. A greater number of employers in the sample recruited young people into work based training through Modern Apprenticeships (MAs) than through YT. This could be attributed to the timing of the fieldwork, which coincided with the impending replacement of Youth Training with National Traineeships which had resulted in a number of employers withdrawing from or 'winding down' their involvement in the existing programme.

The study found that young people have access to the labour market through one of three routes – Modern Apprenticeships, Youth Training or direct employment. The 'structure of opportunities' available to young people varied, depending on their route into the labour market. Modern Apprenticeships offered higher levels of training and qualifications, access to higher occupational levels, guaranteed employed status to the young person throughout the training period and secured more opportunities for career progression at the end of the training programme. In addition, these opportunities were exclusively open to young people.

In contrast, the opportunities available under the Youth Training programme, while guaranteeing training and qualifications to NVQ 2 or equivalent, gave young people access to a more restricted range of occupations. Since young people were not guaranteed employed status under the terms and conditions of the scheme, the opportunities for progression and career development within the companies at the end

of the training period were more tenuous. A number of young people, particularly in Sunderland, were participating in Youth Training provision without employed status.

Finally, while the range of job opportunities available to young people who entered the labour market through direct employment was wider than that available through the support of government training, the level of training offered was generally considerably lower and the opportunity for qualification attainment and career progression was much more limited. In addition, young people found themselves in competition with other groups of workers for entry into employment through this route.

It is pertinent to note that while the highest levels of training and development were available to young people under the Modern Apprenticeship (MA) programme, employers found it most difficult to recruit young people for training places. Employers were demanding higher levels of entry qualifications for MAs, in comparison to those sought for YT and for jobs available through direct employment. In addition, most employers would only consider 16 year olds or possibly 17 year olds for 'traditional apprenticeships', such as those offered in engineering and construction. Employers in the sample found themselves in direct competition with schools and colleges. Respondents in the sample argued that schools and colleges wished to retain young people in post-compulsory education, rather than encourage early entry into the labour market through the work based training route.

CHAPTER 7

EMPLOYERS' SELECTION AND RECRUITMENT STRATEGIES

This chapter focuses on an analysis of the data collected from the sample of employers interviewed, to examine companies' selection and recruitment strategies. It looks at selection and recruitment strategies for both manual and non-manual workers and assesses the extent to which differences existed between the two labour markets and between industrial sectors. Respondents from companies which recruited young people were asked to outline how they went about selecting and recruiting young people for both government supported training provision and for full-time and part-time employment. This chapter also evaluates employers' use of academic and non-academic criteria in the selection and recruitment process and explores, in particular, the value employers placed on educational qualifications as a passport into employment.

7.1 Employers' Recruitment Methods

Employers in the sample were asked to outline the methods they used when they recruited all staff, before being asked to focus on the recruitment methods used to attract young people. In a replication of the approach adopted by Ashton et al, a distinction was drawn between the methods used to recruit manual and non-manual workers in order to identify any significant trends that may emerge between different groups of workers. Under this categorisation, manual occupations were broadly those taken by skilled and craft, semi-skilled and unskilled workers, while those in non-manual occupations included managers and professional workers, technicians,

supervisors and sales and clerical workers. It should be noted that these categories were regarded as guidelines, and, in many instances, the interviewer had to rely on the respondent's own definitions, while, in other instances the responses were coded according to the interviewer's own interpretation of the response.

Table 7.1 summarises the responses to the question 'What is your usual channel of recruitment for the different categories of workers?' (manual/non-manual). Since only one company in the sample had not recruited in the previous two years, this question applied to all other respondents. Most companies used a number of recruitment methods to fill vacancies. Variations did exist between the two labour markets and between the methods used to recruit manual, as opposed to non-manual workers, as well as between some industrial sectors. However, no significant differences emerged when the data was analysed by size of firm, although it should be said that the size of the sample meant that there was a relatively small representation of firms within each size banding.

Table 7.1 Employers' Recruitment Methods

Recruitment methods	Leicester		Sunderland	
	Manual	Non-manual	Manual	Non-manual
Job centre	15	19	12	15
Private employment agency	8	20	5	10
National press	1	20	1	15
Local Press	9	35	15	21
Notice board	7	11	3	4
Recommendation	25	31	10	14
Direct application	21	30	12	16
Internal advert	18	28	16	18
Careers Service	11	13	5	8
Trade union	3	2	1	1
Internal promotion	16	25	15	18
Back files of previous applicants	15	25	10	13
Government training provision	7	12	11	11
Other	4	8	3	8

(Total number of firms – Leicester – 38 Sunderland – 22).

N.B. - Table 7.1 includes multiple responses.

The fact that, overall, many more non-manual vacancies were available, is reflected in table 7.1 in the higher numbers citing usage of a particular method for recruiting to such positions in both areas.

Differences emerged between the two labour markets when the methods used for the recruitment of manual workers were compared. In Leicester, three methods of recruiting manual workers were mentioned most often. These were personal recommendation, direct application (that is, job hunters writing speculatively to the

company) and internal job advertisements within the company. In contrast in Sunderland, companies relied much more heavily on internal advertisements, staff promotions and the local press. This contrasts with the findings from Ashton et al's study, when firms in Leicester relied heavily on vacancy notice boards to attract staff, and in Sunderland a high proportion of firms relied on keeping back files of previous applicants for recruitment purposes.

The differences between the two studies in the findings relating to the recruitment methods used by employers, may be attributed to the changing composition of the local labour markets since the late 1970s/early 1980s. Thus, in line with national trends, the number of manual jobs has been drastically reduced, largely through the decline of the manufacturing sector (Maguire and Maguire, 1997). For example, the widespread use of vacancy notice boards by firms in Leicester, which was identified in Ashton et al's study, was linked to the importance within the local economy of the hosiery industry, which at that time offered large numbers of manual jobs, the bulk of which were occupied by women. The progressive diversification of local industry which has occurred in Leicester, and which has been accompanied by a decline in the number of jobs in the manufacturing sector, may help to explain why, over the past 20 years, there appears to have been a significant change in the methods used by local employers to recruit staff.

In contrast in Sunderland, high levels of unemployment, in comparison to national figures were prevalent in the early 1980s as they are today, but again the structure of the local economy has changed from a manufacturing base to an increasing reliance on service industries and non-manual jobs (see Chapter 4). The large numbers of

manual jobs and the skills associated with this type of employment, were concentrated in the mining, shipbuilding and engineering industries. Employers could therefore rely on back files of previous applicants to fill any vacancies that came about. Those manual jobs which now exist in Sunderland, are both far fewer in number and are spread across a broader industrial base, partly as a result of the demise of the traditional mining and shipbuilding industries. Thus, the findings show that employers in Sunderland who recruited manual workers tended to concentrate their efforts on trying to recruit from within their own organisation, perhaps to avoid the volume of applications that would be attracted by other recruitment methods.

Interestingly, when the recruitment methods for non-manual occupations are compared, no such variation is discernible between the two areas. It can be seen that the patterns of usage of recruitment methods are very similar, with the local press, direct applications and internal advertisements being the methods most frequently used by employers to recruit non-manual workers.

When the data is examined by industrial sector, it can be seen that, while companies in all sectors tended to advertise in the local press to fill non-manual vacancies, employers in the retail sector also relied heavily on direct applications and personal recommendation to fill non-manual jobs. National press advertisements were mentioned by employers in both areas as a recruitment device to fill management level vacancies.

In Sunderland, employers recruited manual and non-manual workers through the Job Centre to a much greater extent than was the case in Leicester. In contrast, employers

in both areas mentioned private employment agencies as a recruitment mechanism to attract temporary staff. These employers were concentrated in the manufacturing sector. In Leicester, three food production companies used employment agencies as a screening mechanism for the recruitment of permanent staff. Production staff were recruited on a temporary basis through agencies and offered permanent employment if they met company standards. Using agency staff also enabled companies to match staffing levels much more accurately to business demands, so that temporary staff contracts could be terminated if production targets were limited, and boosted when they were high. This use of employment agencies to recruit large numbers of temporary staff, which is now regarded as commonplace, was not evident in Ashton et al's study. By the mid-1980s, however, the emerging trend for companies to engage a combination of 'core' and 'periphery' workers was identified by researchers (Atkinson and Meager, 1986; Handy, 1984).

Employers' use of government supported training provision as a mechanism to recruit both manual and non-manual staff was mentioned by half of the respondents in Sunderland but by fewer firms in Leicester. This could be attributed to the much greater use of government supported training provision among employers in the sample in Sunderland, where employment opportunities are more limited. This method also enables companies to use training schemes as a probationary period to assess trainees suitability for permanent employment. In contrast in Leicester, where demand for labour was more intense, especially for skilled labour, employers were in competition for potential recruits and were unable to use government supported training schemes to the same extent.

An interesting finding from Ashton et al's study was the reluctance of employers to recruit people who were unemployed, and, importantly, significant differences between the areas were reported in what employers considered to be an 'acceptable' length of unemployment. Respondents in the recent study of employers in Leicester and Sunderland were asked: 'What is your attitude towards employing someone who is currently unemployed?'. In Leicester 35 of the sample of 38 employers and in Sunderland 20 of the sample of 22 employers interviewed expressed a positive attitude towards employing someone who was unemployed. Most employers were of the view:

'If they can do the job, they get the job.'

(Food Manufacturer, Leicester)

Only a small number of employers in the sample were cautious about employing someone who was currently unemployed. Employers' reservations were concentrated on the length of unemployment, rather than the fact that someone was currently unemployed, in that they were far more reluctant to consider someone who had been out of work for some time, believing that there must be some personal reason for this.

'It depends how long they have been unemployed, what they have done before and on their references. If they were long-term unemployed, I would assume that they did not want to work.'

(Printing Firm, Leicester)

Ashton et al's study of employers was conducted prior to the two economic recessions which took place in Britain in the 1980s and before the effects of large scale job losses and long-term unemployment had impacted on many peoples' lives or consciousness. By the 1990s, most respondents who were interviewed in Leicester and Sunderland had some direct or indirect experience of the effects of unemployment, which in most cases appeared to have resulted in a more flexible attitude towards recruiting someone who was unemployed.

7.2 Methods of Recruiting Young People

Table 7.2 outlines employers' use of methods to recruit young people. In the two areas, a similar pattern emerged in relation to recruitment into manual and non-manual occupations. Those companies which recruited young people did so to a much greater extent into non-manual as opposed to manual occupations. This is demonstrated by the increased response rates to the methods used to recruit into non-manual as opposed to manual occupations (see Table 7.2). In Sunderland, three methods of recruiting young people were mentioned more often than any others for both manual and non-manual occupations – the Job Centre, the local press and personal recommendation. While a similar pattern emerged among employers in Leicester for recruitment into manual occupations, some differences emerged between the two labour markets in terms of employers' recruitment patterns into non-manual occupations. Employers in Leicester relied far more heavily on local press advertising and much less on government agencies such as the Job Centre. In Sunderland, employers utilised the Job Centre as a recruitment mechanism for both young people and all groups of workers to a much greater extent. This may be

attributed to the local employment situation in Sunderland, with the Job Centre being perceived by employers as being able to submit a ready supply of labour, while at the same time avoiding the expense of dealing with large numbers of applications which could be expected from local press advertisements.

While companies in Leicester placed greater emphasis on young people writing directly to the firm as a means of filling staff vacancies, employers in Sunderland relied far less on this method, favouring personal recommendation when they recruited young people. This included referrals from existing employees within the organisation and, in some cases, from schools. It may be concluded, therefore, that young people in Sunderland were more likely to secure employment if they knew someone who already worked within the organisation to which they submitted a job application, or attended schools which had links with local employers. In the original study employers relied to a much greater extent on the Careers Service to find suitable young people to fill vacancies.

Table 7.2 Employers' Methods of Recruiting Young People for Employment

Recruitment methods	Leicester		Sunderland	
	Manual	Non-manual	Manual	Non-manual
Job centre	7	9	10	11
Private employment agency	4	6	1	2
National press	3	5	0	1
Local Press	7	17	8	11
Notice board	4	10	3	5
Recommendation	6	13	5	14
Direct application	6	10	3	3
Internal advert	5	10	3	4
Careers Service	5	5	3	5
Trade union	0	1	0	0
Internal promotion	2	5	3	3
Back files of previous applicants	2	6	3	3
Government training provision	1	4	2	3
Other	2	4	2	1

(Total number of firms – Leicester – 38 Sunderland – 22).

N.B. - Table 7.2 includes multiple responses.

Surprisingly, employers in both locations made limited use of the Careers Service to recruit young people into direct employment. Employers appeared to view the Careers Service as a mechanism to recruit for government supported training schemes (see Table 7.3), rather than for employer-led vacancies. This may to due to a shift in emphasis that has taken place in recent years in the placing function of many Careers Services. The falling number of employer-led vacancies and the increasing importance of government-led training provision as a mechanism for young people to gain access into the labour market, may have encouraged some employers to assume

that the Careers Service no longer has an active role in filling employer-led vacancies. The apparent lack of awareness among employers that Careers Services were a source of recruitment for jobs, as well as for government training provision, highlights a need for Careers Services and the newly-formed Connexions Service to market their placing function more effectively to employers (see 9.4.1).

Companies which recruited young people into full-time work through the promotion of existing staff, did so through one of two ways. Some employers recruited young people into government supported training provision and encouraged them to apply for vacancies that were advertised within the organisation in the first instance. In Sunderland, public sector employers in particular viewed this procedure as a way of nurturing and developing the talents of young people, while at the same time helping the organisation to replenish the skills of an increasingly ageing work force (see 6.3.2).

> *'We realised that as an organisation, we were not recruiting young people, so we have used Modern Apprenticeships as a way of reversing this trend ... Every post is advertised internally first as part of our staff development strategy and 50 per cent are filled by our Modern Apprentices.'*
>
> (Public Sector Employer, Sunderland)

Employers in the retail and consumer services sectors (hotel and catering in particular) recruited some young people who worked in part-time jobs within the organisation and then moved into full-time positions when they left school or college. Thus, a proportion of young people moved into full-time work within the organisation

as a result of either finishing or dropping out of school or college. In Sunderland, some young people had a number of part-time jobs in order to 'make-up' a full-time job and moved into a full-time position with one employer when a vacancy became available (5.2.4).

> *'Young people make up a full-time position out of part-time hours, that is 39 hours each week. They combine working here with, say, working in a pub ... It is becoming more common.'*
>
> (DIY Store, Sunderland)

Table 7.3 Employers' Methods of Recruiting Young People for Government Supported Training Provision

Recruitment method	Leicester	Sunderland
Job Centre	0	2
Private employment agency	0	0
National press	1	0
Local press	3	1
Notice board	0	1
Recommendation	1	3
Direct application	2	2
Internal advert	1	2
Careers Service	4	4
Trade union	0	0
Internal promotion	0	1
Back files of previous applicants	0	1
Training provider	2	6
Other	0	1

(Total number of firms who recruited into government supported training provision– Leicester – 17 Sunderland – 12).

In both areas, employers predominantly used training providers or the Careers Service to recruit for Modern Apprenticeships and Youth Training. Employers in Sunderland also relied upon personal recommendation to fill vacancies on government supported training programmes (Table 7.3). In Leicester, where employers reported experiencing some difficulty finding suitable young people to complete Modern Apprenticeships, a number of employers advertised in the local press in an attempt to widen the net for potential applicants.

In addition, employers in the sample were asked to state which method they used most in order to recruit young people for full-time employment, government supported training provision and part-time employment. No significant variations could be identified within the analysis between industrial sectors, although some distinctions between the two labour markets were evident. The preferred recruitment method for young people for full-time employment among employers in Leicester was the local press. In Sunderland, employers reported that the Job Centre was the most frequently used method to recruit young people to employer-led vacancies. While the use of the local press to recruit young people in Leicester is consistent with the findings of the earlier study, the picture in Sunderland has changed. Ashton et al reported a high usage by employers of the Careers Service to fill vacancies. This was linked to the widespread use of government supported training and to the high level of unemployment in the area, with the Careers Service being used by employers as a screening mechanism to avoid having to cope with vast numbers of job applications in response to advertised vacancies. However, while both the use of government supported training remains widespread and levels of unemployment remain high in

Sunderland, employers no longer appear to make widespread use of the Careers Service to fill employer-led vacancies. This could be linked to the changing role of Careers Services in recent years, whereby increasing emphasis has been placed on careers officers working with young people in schools. This finding suggests that, while Job Centres have continued to market their placement function, employers may no longer be aware that the Careers Service can offer a similar service in relation to young people. Indeed this trend may have been exacerbated by the requirement placed on Careers Services to 're-focus' their priorities on those young people at risk of exclusion from participation in education, training or employment (see 8.1.3).

Employers in both locations stated that local training providers recruited most young people for government supported training provision. In Leicester, companies relied heavily on young people writing directly to the firm to fill part-time vacancies, while in Sunderland, the Job Centre was regarded as the most effective method for the recruitment of part-time staff. Part-time vacancies for young people in both areas were concentrated in the retail and hotel and catering sectors.

7.3 Employers' use of Educational Qualifications and Non-academic Criteria in the Recruitment Process

In order to establish whether employers had heightened their demand for educational qualifications to coincide with the increases in educational attainment which have occurred in recent years, respondents were asked to specify if there had been any changes in the level of qualifications demanded of prospective employees over the previous five years. Table 7.4 summarises responses from employers about their

demand for increased qualification levels for all categories of staff, not only from young people. In Leicester, less than a quarter of the respondents interviewed had increased their expectations in terms of qualifications of prospective candidates, while in Sunderland a higher proportion (40 per cent of those who responded) had increased their qualification demands. Increased demand for qualifications from employers in Sunderland may again be attributed to the local labour market, where the availability of large numbers of qualified applicants may serve to inflate qualification demands from employers.

Table 7.4 Changes in the Level of Qualifications Demanded by Employers

Region	Sector	Yes	No	Don't Know	Total
Leicester	Manufacturing	3	9		12
	Construction	1			1
	Retail	1	6		7
	Transport		1	1	2
	Consumer services		2	2	4
	Financial or business services	1	4		5
	Public sector		2		2
	Other	2	3		5
Total		8	27	3	38
Sunderland	Manufacturing	4	3	1	8
	Retail	1	4	1	6
	Consumer Services		1		1
	Financial or business services		2		2
	Public sector	3	2		5
Total		8	12	2	22

While in Leicester, companies which had increased their qualifications demands were evenly spread across different company size bands, in Sunderland employers who

reporting changes in qualification demands tended to be large firms (over 200 employees).

This may be linked to an increase in demand for management level qualifications which was reported by a number firms in Sunderland. Larger employers were aware of the increased availability of potential recruits with relevant qualifications and had incorporated the need for management qualifications, such as MBAs (Master of Business Administration) and the DMS (Diploma in Management Studies) in their selection criteria. Increased demand for management level qualifications among higher level jobs did not impact on job opportunities for young people since employers were targeting experienced managers to fill vacancies.

However there was evidence that some technician level posts, which would formerly have been available to young people, were now being filled by graduates. A graphics design firm, an insurance company and a construction firm, all based in Leicester, had moved towards the demand for graduate level qualifications instead of the technician level qualifications which had been demanded five years ago. The availability of applicants with graduate level qualifications had led to a decline in technician level training which had previously been undertaken at company level. Employers felt that graduates were able to offer both the technical skills to fulfil the work role, and the maturity and self-confidence which were increasingly needed to assume management responsibilities.

A change in the type, rather than in the level of qualifications was reported by some employers, particularly in relation to the demand for NVQs from young people. The

requirement for these qualifications from employers did not suggest that the nature of the jobs available had changed or had become more complex, leading to an increased demand for educational qualifications. Rather, the development and availability of vocational qualifications in sectors such as retail, healthcare and travel and tourism, where there had previously been an absence of relevant vocational qualifications, had led to a demand from some employers for young people to be able to offer these qualifications. Employers were able to use NVQs to demonstrate that the young person had some knowledge about the area of work.

> *'Yes we demand more qualifications. We look for NVQs from junior members of staff – they have more of an understanding about qualifications. More experienced staff don't appreciate qualifications as much.'*
>
> (Travel Agency, Leicester)

In one Leicester food production firm, which employed a large number of Asian women, the demand for production staff to undertake food hygiene qualifications had led to the firm raising the educational standards demanded, to ensure that they would be able to cope with the training requirements. Second language classes had been organised for existing employees to ensure that staff met qualification targets, and literacy tests had been introduced for prospective employees.

7.3.1 Use of educational qualifications

The demand for educational qualifications *per se* was linked to the type and level of job or training opportunity that was available. While Ashton et al were able to indicate the importance of educational qualifications, in terms of young people's

access to full-time employment, the findings suggest that the picture had become more complex in the 1990s. The demand for, and use of, qualifications varied between different types of government supported training provision, that is between Modern Apprenticeships and Youth Training, as well as between opportunities which existed for young people within government supported training and outside it, in terms of both part-time and full time jobs.

Before moving on to look at how qualifications were used in their selection criteria by employers recruiting young people into the various routes into the labour market, it is worth examining the data to explore employers' demand for the range of vocational and academic qualifications which are now available. Again, the picture appeared to have been somewhat less complex in the late 1970s and early 1980s, when most young people left school at 16 and entered the labour market with '0' Level and/or CSE qualifications. In the late 1990s, young people leaving school/college and entering the labour market, could do so with an array of vocational and non-vocational qualifications which included GCSEs, 'A' Levels and 'A/S' Levels, as well as GNVQs and NVQs.

While the possession of educational qualifications was important for entry into job and training opportunities for young people to over half of the employer sample in both Leicester and Sunderland, the demand for higher level and more educational qualifications was more evident in Sunderland. In Leicester, of those employers which did specify the need for educational qualifications, the highest level of qualification sought was two to three GCSEs at grade C or above. In contrast, five employers in Sunderland demanded four to five GCSEs at grade C or above. The

highest level of qualifications demanded in both areas was for Modern Apprenticeships (MAs), with the exception of a small number of firms in each area (three based in Leicester and one in Sunderland) which recruited 18 year olds with 'A' levels into technician jobs in accountancy and surveying, without the support of government funding.

The demand for higher level academic qualifications from young people in Sunderland appears to reflect the composition of the labour market, where there is a ready supply of well qualified young people leaving school and looking for work. In contrast, employers in Leicester reported increasing problems trying to recruit young people with qualifications to fill higher level vacancies. In addition, a much larger proportion of the sample in Sunderland were involved in the MA programme, with over one-third of the sample involved in the programme compared to a quarter of the sample in Leicester.

While there has been an expansion in the range and type of educational qualifications in recent years (8.2.1), this was not matched by an increase in the demand for different types of qualifications from employers. Of the total sample of 60 respondents, only two mentioned GNVQs as a qualification requirement. Both were from travel agencies in Leicester which recruited young people into Modern Apprenticeships.

'I would find a GNVQ in Leisure and Tourism helpful, although the students have found the course not what they wanted it to be, it was more leisure orientated.'

(Travel Agency, Leicester)

The demand from employers for NVQs as entry qualifications was again limited and concentrated in the retail, caring and travel and tourism sectors. A far greater number of employers were looking for evidence of completion of GCSE courses as a measure of a young person's ability to undertake and complete NVQs as part of government supported training programmes, rather than looking for NVQs as entry qualifications. Employers in both areas were conscious of the need to recruit young people with sufficient academic qualifications to ensure that the company was able to secure the output related funding from the local TEC or Training Provider which was linked to young people's NVQ attainment within the government supported training provision.

The response from a number of employers to the question 'When you recruit young people, what educational qualifications are required?' was that it depended on the job or training place that was available. Since the jobs that young people apply for encompassed a broad range of job opportunities, which may include part-time work, employer-led full-time opportunities, as well as government supported training provision, employers, particularly those in large organisations, found it difficult to specify the educational qualifications that would be demanded from young people. Qualification requirements were linked to the type of job or training opportunity that a young person applied for and signified, in a number of cases, that job or training opportunities for young people were not confined to a narrow range of entry points.

Ashton et al found that employers used educational qualifications in a variety of ways in the selection process for young people. Five selection strategies were identified, with each defining a different balance between the importance employers attached to academic, as opposed to non-academic, criteria in the selection process.

The five selection strategies were:

Strategy One - where the employer specified a minimum level of educational qualifications as a necessary condition for entry to the job, but tended to select candidates with the highest educational qualifications,

Strategy Two - involved the use of educational qualifications as an initial requirement for a candidate to be considered for the job. Final selection placed greater emphasis on non-academic criteria,

Strategy Three - where the importance attached to academic and non-academic criteria shifted in favour of the non-academic,

Strategy Four - placed almost all the emphasis on non-academic criteria. In this strategy, educational qualifications were functionless,

Strategy Five - where educational qualifications disqualified young people from consideration for a job.

The importance employers attached to educational qualifications varied according to the strategy they employed to select and recruit young people. The questions which were asked in the original study were replicated in the study of employers in Leicester and Sunderland, in order to gain an indication of whether employers now placed greater emphasis on educational qualifications, given the continuing increase in qualification attainment among young people since the original study was undertaken.

In *Strategy One,* educational qualifications are the most important of all the selection criteria that are used. While a number of companies specified a minimum academic standard for young people within their selection criteria, the basis of a decision to appoint a young person did not rest solely on academic credentials. This finding is consistent with findings from the earlier study.

Strategy Two involved the use of educational qualifications as an initial requirement for a candidate to be considered for the job. Young people who did not meet the minimum requirement were excluded from the selection procedure. However, final selection placed greater emphasis on non-academic criteria. The use of this strategy among employers in Leicester and Sunderland was concentrated among companies which were offering higher levels of training and development to young people, and where the acquisition of vocational qualifications was expected as part of the training programme. Typically, this included young people who were recruited for government supported training provision, namely Modern Apprenticeships and some Youth Training places. Employers argued that they needed young people with a minimum educational requirement in order to guarantee that the young person would be able to complete the vocational qualifications that were linked to the programme.

Specifying and adhering to a minimum academic standard also offered employers some guarantee that the young person appointed would have the academic ability to undertake and complete further qualifications as required to access the funding attached to employers who participate in government supported training provision (see above). As explained earlier, the demand for academic qualifications among employers was higher in Sunderland than in Leicester.

Within *Strategy Three,* educational qualifications were defined as desirable but not essential. The decision by an employer to recruit a young person was based on non-academic criteria rather than on rigid academic requirements. This strategy was essentially used in the recent fieldwork sample by employers in Leicester and Sunderland, who recruited young people into full-time jobs, where the requirement for the young person to undertake further formal training was minimal. This included routine jobs in the retail, catering, manufacturing and business administration sectors. Employers used educational qualifications as a measure of a young person's ability to complete a task and to be reliable, so that the completion of a GCSE course, rather than the result achieved, was what mattered. Strategy Three was used more widely among employers in Leicester, which can perhaps be attributed to the inability of many respondents to attract young people with qualifications into work-based training and employment. While Ashton et al found the largest percentage of their employer sample in Leicester, Sunderland and St Albans to have adopted Strategy Three as a selection strategy for young people, this was borne out in the revisited sample only in relation to full-time jobs which fell outside government supported training provision. Higher level training opportunities in both Leicester and Sunderland were

concentrated within Modern Apprenticeships, where employers relied heavily on Strategy Two as a selection strategy for young people.

Within *Strategy Four*, the emphasis in the selection criteria was on non-academic characteristics, with educational qualifications being functionless. In Leicester and Sunderland, this strategy could be re-applied to employers, in the retail and catering sectors in particular, who offered large numbers of part-time jobs to young people in full-time education. The value of the academic qualifications that many young people held was redundant for the type of work for which they had applied. However, many employers valued the non-academic skills that many students were able to bring, particularly in relation to their communication skills, which could be readily applied in customer service roles. This strategy was also employed by companies which recruited graduates into non-graduate level jobs.

Finally within *Strategy Five*, Ashton et al described educational qualifications as a disqualification from consideration by an employer for a job. A minority of firms was found to operate this strategy. Within the recent study of employers in Leicester and Sunderland, one respondent reported that educational qualifications would act as a barrier to employment within the company.

> *'We do not look for any (educational) qualifications whatsoever. We have only had one (young person) with qualifications and he set fire to the lawnmower, so that he didn't have to do the work ... I'm not keen to have any more like him.'*
>
> (Building Maintenance Firm, Leicester)

7.3.2 The value of non-academic criteria in the selection process

Employers in Leicester and Sunderland placed great emphasis on non-academic criteria in their selection procedures for the recruitment of young people. The characteristics most employers were looking for in their selection procedures, fall into four broad headings: personality requirements; work-related attributes; hobbies and interests; and family background.

Personality Requirements

From young people, employers were looking for self-confidence, self-motivation, a sense of humour, self-reliance, personal ambition, maturity, imagination and honesty. Fourteen companies in Sunderland and twenty-three companies in Leicester, stressed the importance of personality requirements in their selection of young people. These characteristics were of particular importance in occupations which demanded contact with the general public, such as sales and customer service roles. In addition, personal appearance was of particular importance. While smartness and personal hygiene were the most frequently reported assets for young people to display at selection interviews, and were recognised as familiar requirements from employers, some demands from employers were more unusual:

'The ability to breathe through the nose, that is what I look for, far too many young people lack this attribute.'

(Hospital Trust, Sunderland)

Work-related attributes

Employers cited 'an ability to fit in' more frequently than any other non-academic requirement, which reinforces the findings from the earlier study. Other work related requirements from young people included the ability to work as a team player, a willingness to learn and work hard, and being flexible and adaptable, in order to meet the needs of the business. Employers' demand for work related attributes exceeded the demand for personal characteristics such as self-confidence and self-motivation, since work-related attributes were a requirement in most work settings, as opposed to personality requirements, which were more focused on jobs requiring contact with the general public.

Hobbies and interests

Interests such as wood work and metal work were mentioned by employers looking for evidence of practical abilities from young people who were applying for practical training in areas such as craft apprenticeships. Some companies required young people to bring examples of practical work that they had produced either at school or at home, to selection interviews.

Family background

Family background and parental support were recognised by employers as being of some importance in the selection procedures for Modern Apprenticeships, because of the requirement for parents to sign the MA Learning Agreement. The MA Learning Agreement is signed by the young person, a parent or guardian and the employer as a recognition of commitment to the training that is being undertaken. Employers were looking for evidence of parental support for the young person's career choice and

some potential commitment from parents to the training that was on offer, in the selection interview with young people. In some cases, employers required parents to visit the company before employment contracts were issued, so that training requirements could be spelt out to parents in an effort to draw on parental support.

7.4 Employers' Perceptions of Educational Qualifications

Employers were asked:'What are your views of the value of different educational qualifications as yardsticks of a candidate's ability?'. This question was also posed to employers in the original study, to establish employers' perceptions of educational qualifications. This question was asked of employers who were interviewed in Leicester and Sunderland, in order to elicit views about the value employers attached to the array of educational qualifications that are now on offer. In particular, the aim was to tease whether equal value was given by employers to both academic and vocational qualifications.

Responses to this question were open-ended. Therefore, respondents were able to express their own views, which were recorded on the questionnaire. The most consistent response came from twenty respondents who viewed educational qualifications as relevant in terms of identifying potential in job applicants. However, educational qualifications were not regarded as providing any guarantee about a candidate's ability to be successful in the job. Respondents from large firms in particular attached more weight to in-house competence measures that were used at the selection stage to assess the potential of applicants. This contradicts the findings from the earlier study, when 50 per cent of respondents felt that educational

qualifications were useful, and of those, 45 per cent regarded them as a true measure of a candidate's ability. Therefore, despite the expansion that has taken place in both the volume of educational qualifications that now exist and the expansion of educational opportunities, particularly for young people, employers appear to attach less weight to qualifications as an accurate measure of a person's ability to successfully fulfil a work role.

> *'... it means he/she has the capacity to absorb information but they (qualifications) can't tell you whether they can operate in a practical sense.'*
>
> (Printing Firm, Leicester)

In contrast to this majority view, nine respondents in Leicester and Sunderland stated that educational qualifications did provide an accurate measure of a candidate's ability. In particular, those companies which offered apprenticeship training attached some value to GCSEs (notably grades A- C), as a good indicator of a young person's academic ability to complete training programmes.

A distinction between vocational qualifications and academic qualifications was made by two respondents in Sunderland, who felt that vocational qualifications provided a more accurate predictor of a candidate's ability to do the job. Only one respondent named specific vocational qualifications, by citing GNVQs, as an example of how the vast array of different educational qualifications that now existed made it difficult for employers to measure one against another.

In general, employers in Leicester were more sceptical about the value of educational qualifications than their counterparts in Sunderland, in that some concern was expressed about falling educational standards and the inability of the education system to prepare young people for the world of work. These responses may reflect the anxiety that was expressed by a number of respondents in Leicester about their inability to attract well-qualified young people into the labour market. In part, this was attributed to schools and colleges encouraging greater numbers of young people to remain in education. In contrast, employers in Sunderland expressed few concerns about educational standards, or about their ability to attract young people.

Despite the widespread belief that educational qualifications are essential for accessing employment opportunities, a small number of respondents claimed that they placed no value on educational qualifications. Three respondents in Leicester stated that they attached no weight to educational qualifications as a job performance measure. This included respondents from a firm of solicitors which recruited young people as office juniors, a large knitwear firm which trained young people as machinists, and a fast food firm which recruited large numbers of students. Two of these firms offered young people training and development, which included the opportunity for employees to acquire NVQs in textiles or business administration.

> *'You can't improve on a good half hour chat to determine a young person's potential.'*
>
> (Firm of Solicitors, Leicester)

Summary

The focus of this chapter has been employers' recruitment and selection strategies, which formed an integral part of the original study. A comparison was made between the different strategies used by employers to recruit manual and non-manual workers, as well as those used to recruit young people. Employers in Leicester and Sunderland recruited to a much lesser extent into manual jobs than was the case in the late 1970s and early 1980s, due to the decline in manual occupations in recent years. While informal methods of recruitment still dominate in relation to manual occupations, there appears to have been a shift away from using factory notice boards and back files of previous applicants in favour of an increased reliance on personal recommendation and internal advertisements to fill vacancies. The findings would suggest that an individual's ability to secure manual employment appears to increase if jobseekers know someone in work who can either 'put a good word in for them' or alert them to vacancies. In Sunderland, the regular use of the local press by employers to recruit non-manual workers was in sharp contrast to the situation in the late 1970s and early 1980s, when local employers avoided the local press, in order to prevent an anticipated avalanche of applications.

In the recruitment of young people, while the Careers Service was regularly used by employers to fill vacancies on government supported programmes, very few respondents used the Careers Service as a source of recruitment for full-time jobs. This is significant, given that the majority of respondents recruited young people into jobs, as opposed to government supported training. The Job Centre, the local press and personal recommendation were the three recruitment methods most frequently reported by employers, which may suggest that the majority of respondents in the

sample were either unaware of, or unwilling to use the Careers Service as a source of recruitment to full-time jobs for young people.

The use of educational qualifications by employers in the selection process was examined in order to determine the extent to which there has been an expansion in the demands made by employers for educational qualifications, in response to the growth in recent years in post-compulsory education staying-on rates and qualification attainment among young people. The demand from employers for young applicants with vocational qualifications, most notably NVQs and GNVQs was limited, although there was a greater knowledge of, and demand for NVQs than there was for GNVQs. This lack of awareness of GNVQs by employers may be linked to the timing of the fieldwork, which took place in 1998, when GNVQs were relatively newly established. In addition, GNVQs are delivered in schools and colleges, whereas large numbers of NVQs have been promoted by National Training Organisations (NTOs), and have been developed as workplace qualifications. This may have resulted in a greater awareness by employers of the availability and content of NVQs. It should also be emphasised that, where NVQs or GNVQs were specified as entry qualifications, they were regarded by employers as being 'helpful' rather than 'essential'. Thus, it continues to be the case that other attributes or qualifications are required by young jobseekers.

Academic qualifications were required to a far greater extent by employers in Sunderland, where large numbers of well-qualified young people enter the labour market at the minimum school leaving age and look for work. In contrast in Leicester, where employers reported some difficulties finding well-qualified school

leavers, there was greater flexibility in employers' demands for educational qualifications. The re-application of the five strategies that were developed by Ashton et al to identify employers' use of educational qualifications in the selection process for young people suggests that employers now rely more heavily on academic qualifications, particularly for entry into Modern Apprenticeships. This may be linked to the 'guarantee' that academic qualifications offer to employers, that young people with qualifications will be able to successfully complete the work-based training programme, which includes NVQ level 3 qualifications, thereby securing the government supported funding that is attached to the training programme.

CHAPTER 8

POLICY CHANGES

Chapter 2 provided an overview of the voluminous literature on the transition from school to work and the array of policy changes that have taken place over the last twenty years. It attempted to encapsulate the changes that have impacted on the youth labour market since Ashton et al's study and 'to set the scene' for a study of employers' demand for young people in a climate where increasing numbers of young people remained in post-compulsory education. The timing of the current study of employers' demand for young people coincided with the development of New Labour's 'youth agenda' and a growing government commitment to introduce policy which puts the needs of young people back under the spotlight. Since 1998, the scale and pace of policy development in relation to young people has been rapid. The findings from this piece of research therefore need to be assessed in relation to the current policy climate, as well as to the changes that have occurred in the youth labour market since the original study was completed.

This chapter will outline recent policy developments and the driving forces behind government thinking, which has sought to expand participation in learning for all young people, in the firm belief that a better-educated and a better-qualified workforce will ultimately improve Britain's economic performance. This has been coupled with a commitment to tackle the issue of social exclusion among young people through the expansion of education and to a lesser extent, training initiatives. In addition, this chapter will relate the research findings to these policies and examine

some of the implications of recent policy developments on employers' demands for young people.

8.1 Government Policy

Since the 1997 General Election, the 'youth agenda' has become an issue of key concern within government policy. While previous governments had exhibited an ambition to increase participation in learning among young people, in particular in relation to expanding post-16 education, the aims of New Labour have focused on a much broader policy agenda. The thrust of government policy has been to expand learning opportunities in order to improve economic success. This is coupled with an ambition to design policies which attempt to overcome recognised barriers to participation in learning and, in so doing, use education as a tool to tackle social exclusion and economic disadvantage. Or, as the prime minister put it in his forward to 'The Learning Age':

> *'Education is the best economic policy we have.'*
>
> Rt Hon Tony Blair

'The Learning Age – A renaissance for a new Britain', DfEE, Feb.1998.

8.1.1 Integration of education and training

The Labour government's agenda in this field was first established with the Green Paper entitled 'The Learning Age', which was published in February 1998. This consultation document set out government commitment to lifelong learning, which was regarded as a tool to equip the nation to achieve economic success. Lifelong

learning was defined as 'the continuous development of the skills, knowledge and understanding that are essential for employability and fulfilment' (1998:p.11). The document established how government intended to develop a strategy for lifelong learning, which included the expansion of further and higher education and the expansion of the New Deal for the young and long-term unemployed.

The consultation which emanated from the 'The Learning Age' culminated in the publication in June 1999 of the White Paper 'Learning to Succeed' in which a restructuring of the post-16 education and training system was outlined at both local and national level (Unemployment Unit, 1999, p.8). From April 2001, one national organisation will be responsible for all post-16 education and training (except universities and school sixth forms). The National Learning and Skills Council (LSC) will be supported at a local level by the creation of 47 Learning and Skills Councils (LSCs), which will replace Training and Enterprise Councils (TECs) and will be responsible for identifying local needs and managing local delivery of education and training. TECS were described in the White Paper as 'bureaucratic, costly to run and ineffective' (The White Paper, Learning to Succeed, 1999, p.20).

'Learning to Succeed' represents government's first attempt to integrate the management of education and training provision at a local level. It establishes national education and training targets to address the anticipated need for a better-educated and trained workforce. Employers are to have the greatest representation on the LSCs, in an attempt to allow representatives from local industry to have a voice in making education and training relevant to the needs of the labour market. In addition, a Young People's Learning Committee is to be established which will be responsible

for advising the LSC on how participation in learning and qualification attainment can be enhanced among 16-19 year olds.

8.1.2 Employers' demand for skills

While 'Learning to Succeed' set about tackling the anomalies and inefficiency which were perceived to exist in the management and delivery of the education and training system, over the same period the Secretary for State of Education and Employment established the Skills Task Force (STF). The Task Force was set up to provide advice on the present and anticipated nature, extent and pattern of skill needs and shortages and to assist in the development of a National Skills Agenda. A substantial programme of research was commissioned by the National Skills Task Force which resulted in the publication of a series of interim reports and research papers and culminated in the presentation of the National Skills Task Force Final Report in Spring 2000 (NSTF,2000a). The Final Report emphasised the need for a stronger vocational education and training system to fill the skills gap in relation to intermediate and associate professional vocational skills which the STF identified as the area in which the UK lags behind its European competitors. It called for changes in the UK education and training system to overcome skill shortages and to address the fundamental problem of the overall skills of the workforce being lower than those of Britain's economic competitors. In order to improve economic performance, the report emphasised the need to produce a workforce with skills which are compatible with the needs of the economy and which will in turn engage more of the eligible workforce in the economy and reduce social exclusion.

The Skills Task Force recommended that the education system ensures that young people receive 'a sound foundation (of skills and knowledge) which equips them properly for working life and widens opportunities for further learning and economic mobility' (NSTF, 2000a, p.34). While the Task Force recognised the need for more young people to achieve high level qualifications, it recognised that schools should consider the needs of young people who are not destined to go to university. It suggested that schools should develop links with local employers and introduce vocational studies for young people for one or two days each week during the final two years of compulsory schooling. In addition, the demand for measures to improve early careers advice to inform young people about 'real jobs and their requirements in terms of skill' was highlighted (NSTF, 2000a, p.47).

To facilitate the development of intermediate skills among young people, the Second Report by the National Skills Task Force had proposed that the Modern Apprenticeship programme should offer the opportunity for young people to start training at foundation level training from Level 2 (that is NVQ level 2 or equivalent) which would replace National Traineeships, as well as offering training to young people at Level 3 (that is NVQ level 3 or equivalent) (NSTF, 1999). The report also called for the introduction of a new foundation degree in order to raise the status of the vocational route (NSTF, 1999). These degrees should be available through two years of full-time study or the part-time equivalent. Foundation degrees are aimed at equipping students with the necessary skills to enter technical and associate professional level jobs or to progress on to honours degree programmes.

Following the recommendations made by the National Skills Task Force in its Final Report, the DfEE announced the introduction of Foundation as well as Advanced Modern Apprenticeships. Foundation Apprenticeships will replace National Traineeships and offer young people training at Level 2 (NVQ 2 or equivalent) and the opportunity to progress to an Advanced Modern Apprenticeship (NVQ 3 or equivalent). It is hoped that the incorporation of National Traineeships under the umbrella of the Modern Apprenticeship programme will both enhance the profile of the vocational route and help to displace concerns about the multiplicity or 'jungle' of qualifications and routes available to young people which was highlighted by the National Skills Task Force (NSTF, 2000a). These changes to government supported training for young people will be operational from January 2001.

8.1.3 Social exclusion

The third strand of government policy for 'youth' focuses on the drive to avoid and tackle social exclusion among young people. The creation of the Social Exclusion Unit (SEU), in 1998, was testimony to the government's commitment to confronting the problem of identifying and addressing the needs of communities, which, through social and economic disadvantage, have become marginalised from mainstream society. Tackling the social exclusion experienced by young people was the subject of a report produced by the SEU in 1999. Introducing the report, Tony Blair stated:

> *'The best defence against social exclusion is having a job, and the best way to get a job is to have a good education, with the right training and experience.'*
>
> (SEU, 1999:p.6)

While young people who fail to enter education, employment or training after compulsory education have become the focus of concern among policy makers, this has been underpinned by a number of theoretical debates which have suggested that young people who live in poor areas and who fail to integrate into society are at risk of entering the so-called 'underclass' (Dahrendorf, 1987; Williamson, 1997; Wilkinson and Mulgan, 1995; Murray, 1990). It is argued that a decline in traditional economic and social frameworks which have focused on 'poor' areas has resulted in the creation of 'a new anti-work, anti-social, welfare dependent, dangerous class' (MacDonald and Marsh, 2000, p.4). Underclass theory maintains that young people who live in deprived areas, where their parents have little or no experience of work and are welfare dependent, are socialised into a culture of non-work and a lack of respect for traditional family values. Since young people are unable to break out of this cycle of deprivation, 'underclass values' are transmitted through generations and this leads to the further exclusion of young people from mainstream society and to the creation of 'a lost generation' of underclass members (MacDonald and Marsh, 2000).

While many academics and policy makers are in agreement that fundamental changes in the economic and social conditions of some neighbourhoods have occurred which impinge on the opportunity structures open to some young people, the term 'social exclusion' has been ill-defined and open to a variety of interpretations (Atkinson, 1998). In addition, studies which have been conducted to question the existence of a youth underclass, have, it has been argued, not been sufficiently methodologically complete in their design to disprove their case (MacDonald, 1997; Roberts, 1997). That is, they have failed to fully define the concept they are exploring and have

"looked in the wrong places, at the wrong times, at the wrong people with the wrong methods" (Macdonald and Marsh, 2000, P.4).

The SEU report (see section 2.4), which coincided with the publication of the DfEE White Paper 'Learning to Succeed' (DfEE, 1999a) established an Action Plan that included a wide range of reforms to address the problems faced by disadvantaged young people. The Action Plan recommended:

- Greater choice at Key Stage 4 and a Learning Gateway of options at 16;
- A new Youth Support Service called Connexions;
- The extension of Education Maintenance Allowance Pilot provision which offers financial support to young people from low-income families to encourage their participation in post-16 education, would in addition be targeted at disadvantaged groups of young people, such as single mothers, young people who are disabled and young people who are homeless, as well as supporting transport costs for other groups of young people.

The Learning Gateway aims to identify young people who are at risk of underachievement at school and, as a result, may fail to participate in post-16 education or training. The programme offers a series of options and strategies for identifying the needs of young people, drawing up action plans (Individual Development Plans) and organising work placements, as well as providing continual support to young people during Year 11 and through the transition beyond compulsory schooling.

The most far reaching recommendation was the creation of an integrated youth agency called Connexions, which would be responsible for tracking young people,

and particularly those not participating in any form of education, employment or training. It called for a 'continuous and seamless' transfer of information between education and training providers, through the youth support service, to ensure that non-participation among young people is minimised (SEU, 1999, p.100). The Connexions Service is currently being piloted by the DfEE in thirteen areas, with the intention of the service being phased in on a nation-wide basis from 2001. Multi-agency teams, consisting of personal advisers from agencies which are involved with the needs of young people such as Careers Services, Social Services, Youth Services and Probation Services are brought together to offer an integrated support service to young people.

8.2 Commitment, Contradictions and Complexities in Policy Making

Recent government policy has been driven by an ambition to improve attainment levels among young people through the expansion of opportunities in post-16 education and higher education, to offer pathways into work through government supported training provision and to ensure that as many young people as possible are 'engaged' in the system. Much of current government thinking is based on the assumption that the country needs a well-qualified and highly skilled workforce. However, by looking at each of the three policy strands, that is in relation to raising participation rates, maintaining a work based training route and tackling social exclusion, it is possible to observe contradictions and competing interests in policy-making. Crucially, an evaluation of current government policy suggests that it may be failing to take account of the complexities that surround employers' perceived

needs for young people and raises questions about whether employers now really need a workforce whose skills will largely be delivered through the education system.

This section will explore each facet of government policy and highlight the strengths and contradictions that exist among them. In addition, it will look at policy developments in relation to the findings from the interviews with employers in Leicester and Sunderland. Most importantly, it will lead us to consider if current education and training policy can concurrently meet the needs of young people, employers and the future needs of the economy and society.

8.2.1 Participation rates in post-compulsory education

Between 1989 and 1994, there was a dramatic rise in the proportions of 16 year olds continuing to participate full-time in post-compulsory education, with more gradual but still significant increases for 17 and 18 year olds. Over the same period, there was a steep fall in the number of full-time jobs available to young people. Table 8.1 demonstrates the changes in post-compulsory education participation rates among 16-18 year olds between 1989 and 1994.

Table 8.1 Participation Rates in Post-Compulsory Education 1989-1994

Percentage

Age	1989	1992	1994
16 year olds	55	70	71.5
17 year olds	39.2	54.1	58.7
18 year olds	20.9	33.1	38.4

Source: Adapted from Participation in Education and Training by 16-18 Year Olds in England: 1988 to 1998 SRF13/1999 (DfEE, 1999b).

Thus, for 16 year olds, participation rates in post-compulsory education rose significantly between 1989 and 1994. Over the same period, the proportion of for 17 and 18 year olds remaining in full-time education rose less steeply. Since 1994, participation rates among 16 to 18 year olds have plateaued, before experiencing a slight increase among 16 and 17 year olds in 1999 (Table 8.2).

Table 8.2 Participation Rates in Post-Compulsory Education 1994- 1999

Percentage

Age	1995	1998	1999
16 year olds	70.4	69.7	70.7
17 year olds	58.4	57.7	58.1
18 year olds	39.4	37.1	36.8

Source: Adapted from Participation in Education and Training by 16-18 Year Olds in England: 1988 to 1998 SRF13/1999 (DfEE, 1999b).

While there has been a general upturn in post-16 participation rates, the figures presented disguise differences between males and females, socio-economic groupings and young peoples' prior educational attainment in the proportions of young people who have chosen to remain in education.

There has been a well-publicised increase in the relative achievement of girls over boys in relation to GCSE attainment. Findings from the Youth Cohort Study (YCS) has demonstrated that girls are more likely than boys to stay on in full-time education after 16, particularly if they have average or poor GCSE results (Payne, 2000). In addition, Payne, drawing on data from five YCS cohorts from 1988 to 1995, has used economic modelling to determine the key factors that are linked with participation in full-time education after 16. She concludes:

'While GCSE results are the biggest single factor in the decision to stay on in education, young people are most likely to stay on, other things being equal, if:

- *they belong to an ethnic minority group;*
- *their parents are in higher level occupations or have degrees;*
- *they come from two-parent families;*
- *they attended an independent school in year 11.'*

(Payne, 1998, p.4)

The drive to increase participation rates has coincided with an annual increase in the proportions of young people acquiring five GCSE A*-C grades since the late 1980s (Pearce and Hillman, 1998). Over the same period, the proportion of young people

with five or more GCSE A*-C grades who choose to remain in post-compulsory education has remained consistently high, with over 90 per cent of young people from this group staying on at school or going to college. Therefore, over the same period of time, while the participation rate among this group has had little room for expansion, the number of young people with higher levels of GSCE attainment has continued to grow.

Dramatic increases in the post-16 education participation rates have occurred among groups of young people with poorer and low GCSE results. Consequently, since 1988, there has been a narrowing in the difference between the participation rates of young people with high and low GCSE attainment rates (Payne, 2000). This, in turn, has coincided with an expansion in the number of young people opting to take courses other than through the traditional 'A' level route in post-16 education. Thus, at the end of 1988, almost 27 per cent of this group were taking GCE A/AS level, nine per cent were taking GCSE courses and 12 per cent were working towards an NVQ or on other vocational courses (GNVQ was not introduced until 1992). By 1998, over 36 per cent of 16 year olds in post-compulsory education were studying for GCE A/AS Level, 6.7 percent for advanced GNVQ, and 4.8 percent were working towards NVQ 3 or equivalent vocational qualifications. Some 9.5 per cent were working towards intermediate and foundation GNVQ, 3.2 per cent for GCSE, and 9.5 per cent for NVQ at level 1 and 2 and other qualifications (DfEE, 1999b). It can be observed that between 1988 and 1998, while there was an expansion in the proportion of young people undertaking GCE 'A' level courses (an increase of nine percentage points since 1988), there was a marked decline in the proportion taking GCSE courses (a decrease of almost six percentage points since 1988). This is partly attributable to

the introduction in 1992 of GNVQs, which replaced some existing vocational qualifications awarded by BTEC, RSA and City and Guilds. By 1998, 16.2 per cent of 16 year olds in post-compulsory education were following this route (DfEE, 1999b). It has been argued that this process of replacement of vocational qualifications within the GNVQ framework can explain the higher levels of uptake, rather than a sudden upsurge of enthusiasm among young people for the new full-time vocational qualification (Robinson, 1996; FEDA, 1997).

GNVQs were piloted in 1992, extended nationally in 1993, and now occupy the 'front row', in terms of full-time vocational provision for 16-18 year olds (Yeomans, 1998). The introduction of GNVQs had three objectives. They were intended to: replace the raft of vocational qualifications which had cluttered the British qualification system; sit alongside academic equivalent qualifications at three levels; and offer alternative provision to the growing number of young people who were remaining in education, but for whom 'A' levels may not have been the most suitable option (Hodkinson, 1998). There were two levels of GNVQ introduced in post-16 education. GNVQ Advanced was designed to be the equivalent of two 'A' levels, while GNVQ Intermediate represented the equivalent to four GCSEs at grade C or above. GNVQs were designed to give students the opportunity to undertake a vocational course which would then enable them to progress into further study at 'A' level or GNVQ Advanced or into employment/training if they had completed Intermediate level, or to progress onto higher education or into employment at the end of GNVQ Advanced level.

While the introduction of GNVQs was designed to extend the range of options available to young people moving into post-16 education, research evidence suggests that the qualifications may be offered to students when their academic achievements deny them access to 'A' level courses and, rather than students choosing GNVQs, they may be the only option available to those who if they choose to stay at school or college (Hodkinson, 1998). Bates (1998) notes that while GNVQs were designed to 'empower' young people to make broader choices in post-16 provision, a young person's choice is largely determined by the range of options education providers have on offer. Therefore, students may be restricted in their choice of GNVQ modules and in the choices available, depending on the school or college they attend, resulting in their future prospects being inhibited rather than widened. While questions have been raised about the scope of the curriculum available to students who opt for GNVQ course in post-16 education, there is little research evidence which evaluates the currency of GNVQs, in terms of either their labour market value, or as entry qualifications into higher education.

The most recent study of the economic returns of qualifications failed to include GNVQs in its analysis (Dearden et al., 2000). Economic modelling carried out by the Institute of Fiscal Studies (IFS) used data from the National Child Development Study (NCDS), the International Adult Literacy Survey (IALS) and the Labour Force Survey (LFS) to measure the returns to a range of academic and vocational qualifications obtained by individuals up to 1995. Unlike previous studies, the analysis examined the returns on the range of qualifications which an individual had undertaken, rather than concentrating on the highest qualification obtained. Since GNVQs were only introduced nation-wide in 1993, it may be concluded that there

was an insufficient time period to be able to measure the economic returns of the relatively new vocational qualification. However, if we look at GNVQs in relation to their NVQ equivalents, then the findings indicated that lower level NVQs (level 3 and below) and City and Guilds qualifications 'do not yield a significant economic return for men or women' (Dearden et al, 2000, p.4). This might lead us to speculate that unless a young person progresses onto Advanced Level GNVQ or higher level NVQs in post-16 education, the labour market currency of lower level vocational qualification will be minimal.

In relation to the potential of GNVQs to open up access to higher education, evidence suggests that expansion in post-compulsory education provision in general has brought with it a rapid increase in the number of young people now embarking on degree courses. This has been attributable not only to the increase in the numbers of young people taking 'A' levels, but to the mushrooming of different types of provision, notably GNVQs, which have opened up alternative qualification routes into higher education (Keep and Mayhew, 1996). Since 1979, full-time enrolments have doubled in higher education and it is estimated that one in three school-leavers now enter the system (Purcell and Pitcher, 1996). Such levels of expansion have led to assertions that the UK is rapidly moving towards a mass higher education system, similar to that which exists in the USA (Murphy, 1994).

While participation rates have grown and there has been an expansion in the range of qualifications that have been available to young people in full-time post-16 education, it has been estimated that some 30 per cent of students who start full-time courses drop out and less than half progress from intermediate to advanced level courses

(Steedman and Green, 1996). Therefore, increases in participation in post-16 education have not been mirrored by increased retention and qualification rates among young people (Pearce and Hillman, 1998). In addition, there is a dearth of research evidence on the destinations of young people who prematurely leave post-16 education.

Increased participation rates, coupled with enhanced qualification attainment among many young people, would lead to expectations that among some employers, there would be a heightened demand for the increased number of young people with post-16 education qualifications but below degree-level to meet their future skill needs. Research evidence from the interviews in Leicester and Sunderland suggested that employers' demands for young people were not necessarily being met through increased levels of post-16 participation in education. First, evidence presented in Chapter 5 notes that firms which had experienced or anticipated a growth in their business activity recognised the need to recruit and train young people to meet future skill needs. However, in Leicester in particular, a number of firms reported that their plans had been thwarted, because of an inability to recruit young people with qualifications (four or more GSCEs), which they blamed on increasing levels of participation among young people in full-time post-16 education. So, despite the increased numbers of young people who have obtained five GCSE A*-C grades, most were choosing to remain in education and were inaccessible to employers.

Second, findings in Chapter 6 show that the demand from employers for young people to possess post-16 vocational qualifications, most notably NVQs and GNVQs, was limited, although there was a greater knowledge of, and demand for NVQs than

there was for GNVQs. Thus, despite the relative expansion of GNVQ courses, employers were more familiar with, and to some extent continued to demand, NVQs as entry qualifications. This could be attributed to the fact that NVQs form an integral part of work based training for young people, therefore some employers are more familiar with vocational qualifications that are obtained through this route.

It should also be emphasised that, where NVQS or GNVQs were specified as entry qualifications, they were regarded by employers as being 'helpful' rather than 'essential'. Thus, it continues to be the case that other attributes or qualifications are required by young jobseekers and the labour market currency of qualifications such as GNVQs was found to be small.

Finally, the findings outlined in Chapter 5 suggest that firms would have increased the number of young people that they employed, had they been able to recruit them. The lack of availability of young people had led some companies to split full-time jobs into part-time positions, in order to attract a different age group of applicants, most notably women returners.

There was also a strong belief among many respondents that the expectations of young people have been increased to an unrealistic extent by the drive to encourage ever-greater numbers of young people to remain in post-compulsory education. Some employers believed that young people were being encouraged to stay on at school without considering the work-based training route and were, in effect, failing to consider the full range of options open to them. As a result, some companies were struggling to fill vacancies and training places that they had traditionally targeted at

16/17 year-old school leavers. Also, some employers failed to attach additional value to the post-compulsory education gained by many 17 and 18 year olds (see above) and would only consider them for the same level of entry into employment as they would have done if they had left school at 16 (5.3.3). There was some evidence that those employers which recruited young people, preferred to recruit 16 year olds, because they were both cheaper to employ and were considered to be 'easier to mould' into a working environment than 17 and 18 year olds who had experienced post-compulsory education. This was particularly the case among employers recruiting young people into traditional apprenticeship occupations in sectors such as engineering and construction.

8.2.2 Work-based training and employment among 16-18 year olds

While full-time participation rates in education among 16 to18 year olds have, on the whole, risen in recent years, there has been a corresponding decrease in the percentages of young people entering Government Supported Training (GST) and employment with training. An examination of the destination data of 16 to 18 year olds over the last ten years indicates that government commitment to the expansion of full-time post-16 education has been at the expense of the work-based route. That is, the number of young people entering work-based training fell, as participation rates in post-compulsory education were rising.

Despite efforts to install a credible work-based training route for young people wishing to enter the labour market between the ages of 16 and 18, evidence suggests that current government supported training programmes are failing to attract and retain significant numbers of employers and young people. An evaluation of the

development and implementation phase of National Traineeships (the replacement for YT), reported a relatively slow take-up among employers (Everett et al., 1999).

Among 16 year olds, the percentage of school leavers who enter GST has fallen from 22 per cent in 1989 to 13.6 per cent in 1999. Over the same period, the proportion of 17-year olds entering GST has fallen by nearly 50 per cent, from 20.8 per cent in 1989 to 11 per cent in 1999. The proportion of 18 year olds entering GST has in fact risen from five per cent in 1989, to 8.7 per cent in 1999, which may be attributed to the eligibility of 18 year olds to apply for the New Deal for Young People, as well as Modern Apprenticeships and National Traineeships. In addition, completion rates have been identified as a particular problem within Modern Apprenticeships. Government figures released in Autumn 1999 highlighted that less than a third of young people who had left the programme had completed the qualification target of NVQ level 3 (CBI, 2000).

Since the late 1980s, the number of young people in employment with training has steadily declined (Table 8.3), with the exception of 17 year olds, for whom, since 1994, there has been a slight increase in the proportion entering employment with training.

Table 8.3 Percentage of 16-18 Year Olds in Employment with Employer Funded Training

Percentage

Age	1988	1994	1998
16 year olds	3.3	2	1.4
17 year olds	5.4	2.8	3.3
18 year olds	10.8	5.4	5

Source: Adapted from Participation in Education and Training by 16-18 Year Olds in England: 1988 to 1998 SRF13/1999 (DfEE, 1999b).

The percentage of 16 to 18 year olds who leave school and move into employment without training is contained within DfEE statistics under the broad heading of young people not in any education or training, which also includes young people who are unemployed or unavailable for work and young people whose destination is unknown. Therefore, by using standard statistical data prepared by DfEE, it is difficult to define the proportion of this group whose members have left school or college and moved into employment without training. However, data from the Labour Force Survey (LFS) from 1998 estimates the proportion of 16 year olds in employment without training to be eight per cent of the total population. The figure remains at eight per cent for all 17 year olds and rises to 12 per cent among 18 year olds (DfEE, 2000a).

Government Training Schemes

The introduction of Modern Apprenticeships (MAs) in 1994, was an attempt to improve the quality of training leading to higher than average vocational qualifications for the more able, and as a means of addressing the acknowledged deficiencies of the British workforce in terms of intermediate skills. MAs were designed to build upon the positive aspects of the old-style apprenticeship, revitalising the notion of apprenticeship training, and to offer a flexible framework for high-quality training geared towards the needs of individual sectors and to contribute to the greater degree of choice available to young people beyond 16 (2.2.4).

National Traineeships (NTrs), which replaced Youth Training (YT) in 1998, and which are to be renamed Foundationship Apprenticeships in 2001, following recommendations made by the National Skills Task Force, currently sit alongside Modern Apprenticeships (MAs). NTrs offer the second tier of government supported training for school leavers. While the emphasis in the Modern Apprenticeship framework is to offer high quality work-based training to NVQ level 3, the focus of National Traineeships is on young people achieving NVQ level 2 qualifications and being offered the opportunity for progression onto a Modern Apprenticeship.

The evaluation of the MA prototypes found that they had been implemented most successfully in industrial sectors which had; a tradition and history of offering apprenticeships; an Industrial Training Organisation (ITO) with wide coverage and support within the sector; experience of promoting and accepting NVQs and GNVQs; and strong existing support for apprenticeship training from employers (Everett and

Leman, 1995). Recent evaluation material suggests that, while MA training has activated more government supported training provision at NVQ level 3, it is difficult to determine whether it has merely replaced the training of young people employers would have undertaken regardless of government support. In addition, despite Modern Apprenticeships being aimed primarily at 16 and 17 year olds, they represent only 40 per cent of entrants to the programme (Everett et al, 1999).

A CBI survey of employers reported that offering MA training to young people had benefited 62 per cent of respondents (CBI, 2000). Recent evidence from research among young people undertaking Modern Apprenticeships and employers participating in the scheme has been generally positive (Coleman and Williams, 1998; ERS Ltd, 1998). However, concern has grown about completion rates. By the end of 1999, some 260,000 young people had started an MA. Approximately half were still training, while the remainder were divided between those who had completed their MA and early leavers or non-completers (Winterbotham et al, 2000).

Research findings suggest that the most common reason for non-completion was getting a new job (usually for reasons of pay or better prospects, although not usually with further training). A large proportion of non-completers in Retail were still working with the same employer (37 per cent), which was linked to evidence that the acquisition of NVQs and/or the completion of a MA was not a requirement in terms of securing promotion or progression in the industry. In Retail, most of the young people (67 per cent) had been working for the company before moving into a MA, which suggests that employers in the retail sector may be using the programme to fund company training and to offer personal development to young people who do

not necessarily need to meet the qualification targets laid down in the programme requirements. This contrasts with the situation in Motor and Electrotechnical, where only around one in five came to start their MA in this way and fewer left before the completion of the programme (Winterbotham et al, 2000).

Industrial sectors are using the MA programme in different ways (Winterbotham et al., 2000; IES, 2000). In sectors such as Motor and Electrotechnical, MAs were recruited at a younger age, typically straight from school, and the MA programme had replaced traditional apprenticeship training. In contrast, in sectors such as Retail, Care and Hospitality, Modern Apprentices tended to be older and recruited from the existing workforce. In addition, qualification attainment linked to company training within these sectors is a relatively new phenomenon, since there has been no tradition of apprenticeship training.

In all sectors, higher qualified entrants (those with five or more GCSEs grade A-C) were more likely not to finish the MA because they got another job (34 per cent compared with 25 per cent among the less qualified). Among non-completers, 16-18 year olds were particularly likely not to be working (19 per cent), a figure that contrasts with nine per cent of those aged 19 or over. (Winterbotham et al., 2000).

Employers were asked about their reasons for involvement in MAs. Significant differences were found between industrial sectors. In the Care sector, NVQs, unlike MAs seemed well established, as a means of improving the skills of staff, and were needed to attract young people since NVQs were seen as a prerequisite to progression. However, in Hospitality, it appears that a number of employers become

involved simply in order to recruit staff, and to exploit a source of relatively cheap labour, in a sector renowned for having a very transient workforce and high staff turnover. The actual training element was of little importance, with experience being of more importance to progress than any qualifications (Coleman and Williams, 1998).

While recent research evidence has pointed to retention problems within MAs recruitment difficulties have not been identified as an area of concern. From the interviews with employers in Leicester and Sunderland, it was apparent that some employers in Leicester found it difficult to attract both the number and the calibre of young people they were looking for to complete Modern Apprenticeships (6.5). Problems in recruiting young people were found to be a much bigger area of concern among employers. The need for employers to offer employed status, coupled with the requirement within a Modern Apprenticeship for a young person to complete a qualification to NVQ level 3, meant that most employers were looking for good quality applicants, essentially young people with a minimum of 3/4 GCSEs. A recent survey of employers by the CBI reported that 63 per cent of respondents supported the introduction of an entrance requirement for MAs, such as four GCSEs (A-C grade) or the appropriate National Traineeship in order for applicants to cope with the training requirements (CBI, 2000). It may be argued that the introduction of entrance requirements for work-based training programmes would, in fact, heighten competition between employers and education providers for young people with qualifications and exclude, to a greater extent, those young people with lower qualifications or those without qualifications from the range of opportunities that are available.

While firms in Sunderland experienced few general recruitment difficulties, a small number of respondents did report problems retaining young people on Modern Apprenticeship programmes. This was attributed to the length of time it takes to complete a Modern Apprenticeship, with some young people preferring to move on to a better paid job rather than completing their training period (6.5).

The study of firms in Leicester and Sunderland also endorses other research findings that the MA is regarded as a preparation for progression to junior management and supervisory positions (6.4), whereas YT and its successor NTr provides basic training (IES, 2000). In addition, there was a clear distinction between the types of firms in Leicester and Sunderland which were involved in MAs (6.3.2). There was a dichotomy between firms such as those in engineering, transport and construction, which had replaced existing apprenticeship programmes with MAs, and firms in the retail and public sectors which were running apprenticeship training programmes for the first time. However, from the interviews conducted with employers in Leicester and Sunderland, it was difficult to identify variations between sectors in relation to the way the programme was run, since the numbers that were represented in each sector were small.

Part-time Working

Another fundamental change in the youth labour market has been the fact that, while there has been a reduction in the number of full-time jobs available to young people, there has been nothing less than an explosion in the number of young people who are in full-time education and engaged in part-time work. Whereas in 1984, some

319,000 16 to 24 year olds in full-time education had a part-time job, by 1998, the total had risen to 893,000 (IDS, 1999). The rise in the number of full-time students holding down part-time jobs can be attributed to a number of factors:

- the growing number of young people entering post-16 and higher education. The full-time student population rose between 1984 and 1998 from 1,369,000 to 2,359,000 (IDS, 1999);
- the financial hardship faced by many students due to the limited student support arrangements available through the system of both discretionary and mandatory funding (Kennedy, 1997; Herbert and Callender, 1997);
- the expansion in the number of part-time jobs available in the service sector, most notably in retail, catering and call centres (IDS, 1999).

This has led to assertions that student employment is no longer casual but has become structural (IDS, 1999). Indeed, both the rise in the number of young people working while studying and concerns about the number of hours each week that students work while still in full-time education, have led to a growing disquiet about the impact of part-time working on educational achievement (Howard, 1998; ALIS, 1999).

Findings from the research conducted with employers in Leicester and Sunderland confirmed the prevalence of part-time working among students in the service sector (retail, catering and call centres), while part-time working among school leavers was not commonplace (see Chapter 5). Research findings from a study of part-time working among 14-19 year olds suggested that young people have differential access to part-time working, depending on their academic abilities and social skills. Disaffected 14-16 year olds were found to have fewer opportunities to enter the

labour market, while more able 16-19 year olds were in demand from employers (Hodgson and Spours, 2000). There was little evidence that the employers interviewed in Leicester and Sunderland were operating a selective part-time youth labour market. Where some employers did discriminate between young people was in relation to the status of the young person when they applied for a part-time job. Employers were hesitant about recruiting young people who had left school and had applied to the company for part-time work. There was a belief that part-time work was an unsatisfactory alternative to full-time work and that the young person would probably leave if a full-time job became available. Therefore, there was some reluctance among employers to recruit school leavers into part-time jobs for this reason. Thus, while students as a source of labour are sought by employers, it would appear that employers' attitudes have not shifted in relation to their recruitment of school leavers into part-time jobs, since this evidence echoes the findings of Ashton et al, in their study of employers. An exception was found in Sunderland, where one large retailer explained that, due to the lack of availability of full-time jobs, some young people had to 'make-up' a full-time job from part-time working with two or more employers (5.2).

In Leicester and Sunderland, the 'structural' nature of student part-time working was highlighted by examples of retail sector employers using 'store swop' schemes, which involved young people moving between stores, depending on whether they were living at home or were at university (5.2.1). Similar schemes have been identified in studies of student employment (IDS, 1999).

Full-time Employment Opportunities

Since the 1980s, the percentage of young people under the age of 18 who have moved from education directly into work with training has declined (Table 8.3). Data from the LFS would indicate that a much greater proportion of young people who are entering employment are moving into jobs without training. For example, in 1998, 1.4 per cent of 16 year olds entered employment with employer funded training, in comparison to eight per cent of 16 year olds who were in employment without training (DfEE, 2000a). However, the proportion of young people entering employment with training increases if the number of young people in GST who have employed status, which includes the majority of young people on MAs and a proportion of trainees on NTrs, is added to the figures. In 1998, a further 9.1 per cent of 16 year olds went into government supported training. This would indicate that slightly more 16 year olds were entering employment with training, but that just under one-fifth of school leavers went straight into work after Year 11.

Destination data indicates that, despite government policy which is committed to expanding learning opportunities to young people through the expansion of opportunities in post-16 full-time education, and the maintenance of a work-based training route, primarily funded through Modern Apprenticeship, a substantial number of young people continue to leave school or college and move into low skilled work with no training opportunities. Evidence from the interviews with employers in Leicester and Sunderland suggests that a significant number of the sample of employers recruited small numbers of young people into semi-skilled and unskilled work. Indeed, more employers in the sample recruited young people directly into employment to a greater extent than through GST. In particular, while

employers in Leicester reported recruitment difficulties in finding suitable young people to fill MAs and the small number of training opportunities that existed outside GST, there was no reported shortage of candidates to fill lower level jobs which offered little or no training (5.2; 6.4; 6.5). This could be attributed to the fact that there was a ready supply of young people to fill vacancies, and/or that the range of semi-skilled and unskilled jobs that young people were entering were not exclusively open to school leavers, and therefore employers were also able to draw on older groups of workers to fill vacancies.

Despite policy developments which emphasise the need to produce a well-qualified and highly skilled workforce to meet the demands of the economy, the evidence from the survey of employers in Leicester and Sunderland would suggest that there continues to be a demand from employers for young people to fill routine and unskilled jobs, in particular in the service sector. The need for young people to offer enhanced qualification attainment beyond Year 11 to meet the entry requirements for these jobs is also questionable. For the majority of employers who recruited young people directly into jobs, educational qualifications were regarded as helpful rather than essential at the recruitment stage. The findings confirmed those of Ashton et al, that other attributes or qualifications are required from young jobseekers by employers over and above educational qualifications (6.3).

There is a notable absence of recent research into employers' demand for young people outside government supported training provision, both in terms of identifying the number and range of job opportunities which are available to young people outside GST, and in detailing employers' demands for entry qualifications.

Therefore, substantiating and comparing the findings from the study of employers in Leicester and Sunderland is difficult. Recent government policy has been driven by the belief that early entry into employment for young people is both undesirable for young people and unwanted by employers (NSTF, 2000a). In an attempt to increase the training that is offered to those young people who enter work without training, and with the belief that all young people and employers demand enhanced levels of training, £30 million has been set aside for TECs to support young people in work to take up the offer of their Right to Time Off For Study or Training. This seeks to encourage those young people who are receiving limited or no training provision to participate in some form of training or education.

8.2.3 Social Exclusion

The fate of those young people who do not enter education, employment or training after Year 11, and who are known as the NEET group, has captured the attention in recent policy-making. This followed destination statistics which pointed to a stubbornly persistent proportion of young people who remain in this group despite policy initiatives and the emergence of research evidence which highlighted the short comings in current education and training provision in meeting their needs (SEU, 1999; 2000).

Between 1989 and 1994, increases in participation rates among young people in post compulsory education coincided with a decrease in the proportion of young people who were classified as not in any form of education employment or training (NEET). Since 1994, while the proportion of young people between the ages of 16 and 18 who have participated in full-time education has plateaued, the number of young people in

the NEET group has continued to rise, in particular among 16 and 17 year olds. However, provisional figures for 1999 suggest a slight fall in the number of young people in the NEET group (Table 8.4).

Table 8.4 Young People Not in Education or Training 1994-1999

Percentage

	1994	**1998**	**1999**
16 year olds	10.7	14.3	13.6
17 year olds	19.2	20.8	20.1
18 year olds	40.6	40.4	39.8

Source: Adapted from Participation in Education and Training by 16-18 Year Olds in England: 1988 to 1998 SRF13/1999 (DfEE, 1999b).

In order to encourage young people between the ages of 14-16 who are at risk of disaffection to remain 'in the system', extended opportunities for school based work experience programmes have been advocated as a means of re-engaging some young people in learning (Ofsted, 1998). Offering young people who may be struggling with mainstream education work experience as a tool to enhance their future employability is however nothing new in policy terms.

Huddleston notes:

'It is important to notice the renewed interest in 'employability' and 'work-readiness' which has a distinct ring of déjà vu *about it, one reminiscent of the compensatory education schemes for disadvantaged pupils during the 1960s and 1970s.'*

(Huddleston, 2000, p.215)

Preliminary evidence presented by the DfEE suggests that some young people benefit from moving into a college or a workplace environment and appreciate the work-related curriculum which has been offered under the New Start initiative (DfEE, 1998). However, very little evidence is available about the response from employers who might increasingly be expected to manage young people who have largely failed to respond to learning within a school environment. Indeed, in a climate where employers see themselves in competition with education providers to recruit 'good quality' young people which was found in particular among employers in Leicester (5.3.3), it might be argued that local employers may become increasingly reluctant to support extended school-based work experience programmes aimed at young people who are at risk of disaffection.

To overcome financial barriers to learning and to boost participation in post-16 education among the young people who are at risk of disaffection, Education Maintenance Allowances (EMAs) are currently being piloted in 41 Local Education Authorities (LEAs). Young people from low-income families are paid a weekly allowance of up to £40 per week to remain in full-time education, in addition to receiving attendance and achievement bonuses.

If the scheme is successful, EMAs may be rolled out nationally. The idea of paying young people to remain in education raises a number of important issues in relation to this group of young people. First, while financial barriers are one recognised obstacle to participation in learning, many others remain. For example, research evidence has highlighted that many young people in the NEET group have become disaffected from the education system long before they reach the end of Year 11. Levels of truancy and school exclusions are high among this group and educational attainment levels are low (Pearce and Hillman, 1998). Will paying young people to remain in education be sufficient to overcome entrenched disillusionment with the education system? Second, the availability of EMAs may result in a 'shuffling of the pack' among young people already in the 'system', that is encouraging those young people who may have gone into GST or employment to stay on at school and in so doing to intensify competition between education and training providers and employers (6.5). To what extent will it affect the decision-making of young people who are least likely to be supported by formal systems of guidance and support, such as those provided by schools and Careers Services? Evidence from the interviews with employers in Leicester and Sunderland suggests that there was limited awareness and value attached to many post-16 qualifications among many employers. Will participation in post-16 education necessarily be the best way to improve the skills, qualifications and employability of all young people?

At the same time, funding for government supported training provision has been boosted. In 2000-01, an additional £3 million will be provided by government to fund more places for young people on the Modern Apprenticeship programmes.

While government investment in the funding of education and training provision for young people is broadly welcomed, it will be received on the one hand by schools and colleges who are anxious to retain as many young people in full-time education as possible and on the other hand by TECs who will receive increased funding to boost their training provision for young people. Indeed, the abolition of the TECs in 2001, and the introduction of the new local Learning and Skills Councils who will have a much broader remit in managing both the delivery of local education and training provision. The challenge for the LSCs will be to use government funding to devise post-16 education and training opportunities for those young people who are least likely to engage in learning, rather than to intensify competition between education and training providers for those young people who are most likely to participate in some form of post-compulsory education or training.

While the introduction of the Connexions Service will focus on the integration of young people who are at risk of disaffection and the engagement of young people who have become marginalised from 'the system', with the aim of encouraging them to participate in some form of education, employment or training, some disquiet has been expressed about how the new service will cater for the needs of other groups of young people. Recommendation 14 of the Final National Skills Task Force report points to the need for all young people to receive early careers advice and education in order to provide them with a greater understanding of 'real jobs and their requirements in terms of skill' (NSTF, 2000a, p.47). While the report welcomed the introduction of the new Connexions Service, it emphasised the need for all young people to receive impartial advice and support, and not only those young people who are socially disadvantaged. Findings from the interviews with employers in Leicester

and Sunderland highlighted that few respondents used the Careers Service, which will form part of the new Connexions Service to recruit young people into employer-led vacancies (7.2). This suggests that the Connexions Service will need to strengthen its links with employers in order to enhance the potential of offering an effective placement service to both employers and to young people.

In addition, support for young people should not be confined to the points leading up to decision-making, but be on going, regardless of the direction taken. This is particularly important in relation to the large numbers of young people who are known to drop out of Modern Apprenticeships before they have completed their training, many of whom may be at risk of disaffection and exclusion if they fail to secure an alternative option (8.2.2). There are currently few strategies in place to offer guidance and support to young people once they have followed a route into employment or training. This appears to support an implicit assumption within current policy, that disaffection occurs prior to decision-making at the end of Year 11 and that the risks of social exclusion radically diminish beyond that point.

Summary

This chapter has attempted to assimilate the many changes that have occurred in recent years, both in relation to the direction of education and training policy and the ways in which this has impacted on the routes that are available to young people. There has been a 'levelling out' in the numbers of young people remaining in post-compulsory education and a significant increase in the proportion of young people embarking upon new vocational courses, namely GNVQs. This has happened over the same period that there has been a corresponding decrease in the proportion of

young people entering employment with training and government supported training provision. In addition, young people who fail to enter any form of post-16 education, employment or training, that is the NEET group, and young people who enter employment without training after leaving compulsory schooling, continue to be a challenge to policy-makers.

What remains less certain is the extent to which recent policy changes and the multiple routes that are now open to young people meet the demands of all stakeholders; namely employers, young people, parents and the economy. Findings from the research with employers in Leicester and Sunderland would suggest that, despite the many changes that have occurred in the youth labour market, some employers are failing to attract the young people they need at the age or with the qualifications that they require. The final chapter will explore the implications of changes to the youth labour market since the original study was undertaken and assess the efficacy of current policy direction.

CHAPTER 9

CONCLUSIONS

The final chapter draws together this piece of research by re-visiting the aims and methodology of the study and by highlighting the key findings. It also addresses some shortcomings and contradictions that may be perceived to exist in current education and training policies, emanating from an examination of recent policy initiatives and from the findings of the fieldwork that was conducted with employers. The chapter concludes with a discussion of pertinent issues for some of the key players in the education and training arena, namely: young people, employers, policy-makers and the academic community.

9.1 Research Background

At the outset, this piece of research sought to examine employers' demands for youth labour through a comparison of contrasting local labour markets. This was achieved by re-applying the aims and methodology of a study carried out in the late 1970s and early 1980s (Ashton et al, 1982) to ascertain how the youth labour market functions today. and to examine in particular:

i) To what extent a distinct youth labour market exists;

ii) The balance which exists between the demands created by employers for youth labour and those emanating from various government training programmes which seek to sustain and maintain opportunities for young people in the labour market;

iii) The extent to which a shift towards a demand for an increasingly highly skilled workforce has impacted at a local level on employers' requirements for the labour of young people.

By comparing the findings with those of an earlier study, it was intended that changes to the structure and functioning of the youth labour market could be identified and the extent to which these changes have undermined traditional assumptions about the youth labour market could be determined. Since the emphasis of the research was on employers' demand for youth labour at the local labour market level, a comparative study which incorporated a consideration of both these elements needed to be used. In addition, it was important to identify previous research which had examined the youth labour market in its 'pure state', that is when job opportunities were determined by the needs of the local labour market, before the expansion of government supported training provision. This would help to determine how opportunities for young people had been affected and determined by the onset of youth unemployment, the development of youth training schemes and the expansion of post-16 education provision (Chapter 1).

The main objective of Ashton et al's study was to 'map' the outline of the youth labour market in three contrasting local labour markets - Leicester, St Albans and Sunderland (Ashton et al, 1982). This was achieved by conducting face-to-face interviews with a representative sample of employers in each area. The research was undertaken before the escalation of youth unemployment and before the introduction of youth training provision become widespread.

The strengths of the methodology applied in the original study include the large number of firms represented in the study and the high response rate, which was attributed to the fact that the interviews with employers were conducted face-to-face, rather than by a postal survey. Conducting face-to-face interviews also enabled a greater depth of

information to be obtained from respondents, since the questionnaire included a number of open-ended question.

The findings from the research highlighted significant variations in the structure and functioning of the youth labour market between the three local areas in terms of:

- the number of young people entering the labour market and the range of job opportunities available to young people;
- the chances of obtaining employment and the 'choice' of work available to young people;
- the structure of internal labour markets within organisations;
- the type of work for which young people were recruited and the relative size of the market segments;
- the quantity of training undertaken;
- the contraction in job opportunities for 16 year old school leavers;
- employers' use of educational qualifications.

The youth labour market was divided into a number of different segments. Access for young people to each of these labour market segments was determined by the outcome of the competition they face with adults." (Ashton et al, 1982, p.2. These segments restricted the choices and opportunities available and created inequalities in the labour market. Ashton et al, contended that the segmentation of the youth labour market was largely determined by local labour market conditions.

During the 1980s, the onset of rising levels of youth unemployment and the introduction of government supported training provision radically altered the way the youth labour

market functioned. The term 'the surrogate youth labour market' was used to describe government intervention in the 'real' youth labour market to create employment and training opportunities for young people (Lee et al., 1990). Lee et al., defined a separate youth labour market emerging as a result of state intervention to reduce youth unemployment nationally and to widen access to employment and training opportunities. The surrogate labour market was segmented as a result of the differing commercial interests of managing agents and employers in the programme. Consequently, YTS offered different types of training and employment opportunities to young people. (Lee et al., 1990) (2.2.2).

Roberts et al (1986) and Raffe (1988) identified different classifications within YTS. Roberts concluded that, within YTS, there was the emergence of three tiers, comprising those employers who were using the scheme to subsidise their own programmes of training; those who used the placement to test out the young person's suitability for future employment and those who were using the scheme to create temporary, low level jobs (Roberts et al., 1986). Raffe (1988) identified a fourth sector within the scheme which was termed *the credentialling sector,* where young people were acquiring experience and qualifications which would only enhance their job prospects in the external labour market.

While it can be observed that these studies demonstrate the significance of segmentation in the youth labour market both before and after the introduction of government supported training provision, a number of questions remained unanswered about the inter-relationship between the 'natural' youth labour market and that which was created by youth training provision. For example was the youth labour market, as defined by Ashton

et al., merely superseded by the youth training market, or do opportunities for young people exist side by side? What are the structure of opportunities that exist both within and outside government supported training provision? Have young people's traditional ports of entry into the labour market been closed to them? How do opportunities vary between local labour markets? What initiatives exist at the local level to encourage employers to recruit and train young people?

By default, Britain appears to be adopting an educational solution to its training/youth employment problem. In recent years, there has been a substantial increase in the number of young people participating in full-time post-16 education. Here again, a number of questions arise. How do employers perceive increased participation in post-16 education? What value do employers place on educational qualifications? Are young people who leave school/college at 17/18 at a disadvantage vis-a-vis 16 year olds in terms of access to the labour market, or do employers value post-16 education? Has increased participation in post-compulsory education shifted employers' demands for youth labour in full-time jobs towards greater use of part-time and casual working? To what extent are employers now recruiting graduates into jobs traditionally 'earmarked' for school leavers? The aim of this piece of research was to address these questions through a study of employers in two contrasting labour markets: Leicester and Sunderland (3.3).

Before moving on to summarise the findings from the research, section 9.2 provides some contextual background to the study through an evaluation of current education and training policies in relation to young people.

9.2 Integration of Education and Training?

Chapters 3 and 8 have sought to plot the many changes that have impacted on the structure and functioning of the youth labour market since Ashton et al's study. This included the virtual collapse of the traditional youth labour market in the early 1980s, which triggered a series of government policies. Much of this policy has been multi-functional, in that it has been designed to meet the education and training needs of young people, to curb youth unemployment and to address the future skill needs of the country.

Policy intervention in the youth labour market started with the expansion of youth training programmes, which largely failed to deliver to young people and employers, a high quality vocational education training (VET) system (3.2). In recent years, government supported training provision has been superseded by a drive to encourage mass participation in post-16 education, to meet the needs of young people and the economy, at the same time as maintaining a scaled-down work-based training route (3.3), which has largely followed the model for a vocational education and training system advocated by Soskice (1993).

Soskice argued that work based training policies based on those which exist in Germany and Japan have failed to deliver a high skills equilibrium in the UK, and the way ahead should be through significantly greater take-up of post-16 and higher education, as is found in the USA:

> *'The primary focus of government policy should rather be via mass post-16 education and mass higher education, along American lines. This is because the*

key skills which companies want, in an increasingly service- and client-dominated economy, are social, organizational, and computing skills. And the basis for these skills is the environment provided by common post-16 school and, above all, by higher education.'

(Soskice, 1993, p.111)

The recent direction of education and training policy was established with the publication of the White Paper 'Learning to Succeed' and the National Skills Task Force Final Report. Both reports highlight the importance of expanding opportunities in post-16 education and higher education, while at the same time promoting a work based training route for young people, primarily through the Modern Apprenticeship programme (8.1.1). That is, government policy is committed to maintaining both an education route and a work based training route in the quest to expand the education and training opportunities and to improve economic competitiveness.

However, evidence would suggest that there is a clear imbalance between the two routes in terms of both resources and numbers. Section 8.2 outlined the expansion both in the number of young people entering post-compulsory education and in the range of post–16 education course provision (primarily through the introduction of GNVQs) in recent years. This has largely been at the expense of the work-based training route, which has witnessed a dramatic decline in the number of young people opting to leave school at 16 to enter government supported training.

'The introduction of GNVQs has encouraged many young people who would otherwise have left school to stay on and has demonstrated the scope for creating ladders of progression in more vocationally orientated education.'

(NSTF, 1999, p.31)

The emerging pattern of education and training provision for young people in the UK appears to be one of an education based route for most young people, with a work-based training route as a secondary option. Within the development of recent government policy, there appears to be little evidence of the need to correct the imbalance between the two. Indeed, concerns about the plateauing in the proportions of young people who are choosing to participate in post-16 education have led to the introduction of policies which are aimed at boosting educational participation figures. A recent example of this is the piloting of Education Maintenance Allowances, whereby young people from low-income families are in effect paid a weekly allowance to remain in post-16 education (8.2.3).

At the same time, the work based training route is currently made up of two distinct segments. The Modern Apprenticeship programme aims to offer high quality training and employment opportunities to more able young people, while National Traineeships/Foundation Modern Apprenticeships provide training for the rest. Thus, despite 20 years of trying to establish a high quality youth training programme for all young people, a segmented or tiered system similar to those identified by Lee et al., (1990), Roberts (1986) and Raffe (1988) in earlier forms of youth training provision, still exists. Government supported training provision continues to act as a high quality training programme for some young people, through Modern Apprenticeships, and as a

social measure to combat youth unemployment for the majority of young people, through National Traineeships/Foundation Apprenticeships.

In addition, in policy terms, scant attention has been given to the substantial minority of young people who continue to leave school at 16 and enter employment regardless of developments in education and training policy (8.2.2). This appears to underpin a belief that early school leaving is undesirable both for young people and for the economy and that there is no longer a demand for young people to fill relatively low skilled jobs. This is coupled with an assumption that by encouraging all young people to remain in education and training, this will place young people on an equal footing and in effect ignores or postpones the reality that opportunities in the labour market continue to be segmented. Bash, Coulby and Jones (1985) present an argument which challenges the assumption that it is both desirable and necessary to expand learning opportunities for all young people in order to improve economic success:

> *'the stratification of the labour market is such that public and private employers actually require young people with different skills at different levels. Industry, commerce, the professions and service facilities need some young people with a high level of specific specialised skill. They also need people with low-level skills or virtually no skills at all. If schools do not produce unskilled and unqualified young people, then they will fail to meet one of the demands of the labour market.'*
>
> (p.136)

Although this was written in 1985, the sentiments still have resonance. A key question remains: are current education and training policies meeting the needs of employers? Evidence from the research conducted with employers in Leicester and Sunderland would suggest that the maintenance of policies which support the expansion of post-compulsory

education, at the same time as retaining a work based route into employment and training send out conflicting messages to employers. In addition, the findings raise some questions about the validity of promoting mass post-compulsory education policies as a means of meeting the skill needs of the economy.

9.2.1 Job opportunities for young people

The findings demonstrate that a youth labour market still exists. Sixteen and seventeen year old school leavers enter the labour market through one of two routes: through government supported training provision or directly into employment (with or without training). The majority of firms in both Leicester and Sunderland employed young people through both routes, although fewer employers in the sample participated in government supported training programmes (5.2). This finding suggests that there may be more opportunities in the labour market for young people outside government supported training provision than is widely believed to exist.

The number of young people employed (as opposed to participating in government supported training provision) in any one firm was typically small, usually between one and three, and most were employed in jobs that were not exclusively open to young people. That is, employers were willing to recruit most groups of workers into those occupations. A much smaller number of young people were employed as 'trainees' in sectors such as accountancy, surveying and medical services, where qualification levels for entry into the job were higher. Recruitment to these jobs was restricted to school leavers. There was no evidence among the sample of firms in Leicester and Sunderland that increases in the number of part-time jobs had come about through a massive reduction in the number of job opportunities open to young people. On the contrary, a

small number of firms had moved towards part-time working because they were finding it increasingly difficult to recruit school leavers, due to increasing levels of participation in post-compulsory education.

There was also no evidence that employers had significantly higher levels of staff turnover among young people. It was acknowledged that some young people, particularly students, occupied jobs that had high turnover rates, but the nature of the work (routine catering and cleaning) and often the shift patterns attached contributed to high staff turnover to a much greater extent than the age of the workforce. While many employers were willing to recruit students into part-time jobs, part-time working among school leavers was much less prevalent. Most respondents recruited older groups of workers into part-time jobs, believing that young people would be looking towards securing full-time work (5.3).

While a significant number of respondents in the sample employed graduates in the types of work for which they would also recruit school leavers, there was no evidence that employers were actively recruiting graduates into jobs that had once been exclusively available to school leavers. Rather, graduates were employed in routine level jobs, which offered 'stop gap' employment. However a number of firms, particularly in Sunderland, reported that graduates were remaining with their organisations for significant amounts of time, without the opportunity for further advancement (5.2.2).

Differences emerged between the two labour markets in relation to employers' abilities to attract young people into the job opportunities that were available. Staff recruitment problems for all groups of workers were far more acute among firms in Leicester. High

levels of unemployment in Sunderland enabled firms in the area to experience few recruitment difficulties, and those firms which had experienced or anticipated a growth in their business activity recognised the need to recruit and train young people to meet future skill needs. However, in Leicester, a number of firms reported that their plans had been thwarted, because of an inability to recruit young people with qualifications (four or more GCSEs) due to increasing levels of participation among young people in full-time post-16 education (5.3).

9.2.2 Government supported training provision

More employers in the sample recruited young people into training through Modern Apprenticeships than through the Youth Training programme. This could be attributed to the timing of the study, which coincided with the impending replacement of Youth Training with National Traineeships (6.1).

The study found that young people have access to the labour market through one of three routes – Modern Apprenticeships, Youth Training or direct employment (6.4). The 'structure of opportunities' available to young people varied, depending on the route taken into the labour market. Modern Apprenticeships offered higher levels of training and qualifications, access to higher occupational levels, guaranteed employed status to the young person throughout the training period and more opportunities for career progression at the end of the training programme. In addition, these opportunities were exclusively open to young people.

In contrast, the opportunities available under the Youth Training programme, while guaranteeing training and qualifications to NVQ 2 or equivalent, gave young people access to a more restricted range of occupations. Since young people were not guaranteed employed

status under the terms and conditions of the scheme, the opportunities for progression and career development within the company at the end of the training period were more tenuous. A number of young people, particularly in Sunderland, were participating in Youth Training provision without employed status.

While the range of job opportunities available to young people who entered the labour market through direct employment was wider than that available with the support of government training, the level of training offered was generally much lower and the opportunity for qualification attainment and career progression much more limited. In addition, young people found themselves in competition with other groups of workers for entry into employment through this route and this segment of the labour market was not exclusively available to young people.

Finally, while the highest levels of training and development were available to young people under the Modern Apprenticeship programme, employers found it most difficult to recruit young people for these vacancies. For Modern Apprenticeships, employers were demanding higher levels of entry qualifications, in comparison to those demanded for YT, and for jobs available through direct employment, and, in most cases, would only consider 16 year school leavers. Thus, they found themselves in direct competition with schools and colleges, which sought to retain young people in post-compulsory education, rather than to encourage entry into the labour market through the work based training route.

9.2.3 Recruitment and selection strategies

A comparison was made between the different strategies used by employers to recruit young people. In the recruitment of young people, while the Careers Service was

regularly used by employers to fill vacancies on government supported programmes, very few respondents used the Careers Service as a source of recruitment for full-time jobs. This is significant, given that the majority of respondents recruited young people into jobs, as opposed to government supported training. The Job Centre, the local press and personal recommendation were the three recruitment methods most frequently reported by employers, which may suggest that the majority of respondents in the sample were either unaware of, or unwilling to use, the Careers Service as a source of recruitment to full-time jobs for young people (7.2).

The use of educational qualifications by employers in the selection process was examined in order to determine the extent to which there has been an expansion in the demands made by employers for educational qualifications. The demand from employers for vocational qualifications from young people, most notably NVQs and GNVQs was limited, although there was a greater knowledge of, and demand for NVQs than there was for GNVQs. This lack of awareness of GNVQs by employers may be linked to the timing of the fieldwork, which took place in 1998, when GNVQs were relatively newly established. In addition, GNVQs are delivered in schools and colleges, whereas large numbers of NVQs have been promoted by National Training Organisations (NTOs), and have been developed as workplace qualifications. This may have resulted in a greater awareness by employers of the availability and content of NVQs. It should also be emphasised that where NVQS or GNVQs were specified as entry qualifications, they were regarded by employers as being 'helpful' rather than 'essential'. Thus, it continues to be the case that other attributes or qualifications are required by young jobseekers (7.3.1).

Academic qualifications were required to a far greater extent by employers in Sunderland, where large numbers of well-qualified young people enter the labour market at the minimum school leaving age and look for work. In contrast, in Leicester, where employers reported some difficulties finding well-qualified school leavers, there was greater flexibility in terms of employers' demands for educational qualifications. The re-application of the five strategies that were developed by Ashton et al, to identify employers' use of educational qualifications in the selection process for young people suggests that employers now rely more heavily on academic qualifications, in particular for entry into Modern Apprenticeships. This may be linked to the 'guarantee' that academic qualifications offer to employers, that young people with qualifications will be able to successfully complete the work-based training programme, which includes NVQ level 3 qualifications, thereby securing the government supported funding that is attached to the training programme.

9.4 Implications of Findings

The findings from the research suggest that there continues to be a demand from employers for youth labour and that the structure of opportunities for young people is largely determined by the composition of the local labour market. The majority of opportunities for school leavers, outside of government supported training provision, were largely made up of relatively low-skilled jobs with limited training opportunities. Despite policy initiatives aimed at increasing participation in post-compulsory education and training, the majority of firms in a representative sample of employers in both locations recruited young people direct from school at age 16 on a regular basis. In relation to job opportunities outside government supported training, young people found

themselves in direct competition with older workers at the selection and recruitment stage.

Despite increased participation in post-16 education and an expansion of qualifications in post-16 education, namely through GNVQs, most employers preferred to recruit 16-year old school leavers and valued academic qualifications over and above their vocational equivalents. Some employers were mistrustful of recruiting older school leavers, that is 17 or 18 year olds, believing that they were more difficult to train and, in relation to cost, more expensive to employ. In addition, employers appeared not to attach much weight to post-16 qualifications, which may have been the result of a lack of understanding of the range of post-16 qualifications that are now available.

Perhaps the most surprising finding of all, was that when employers were offering high levels of training and development opportunities to young people through Modern Apprenticeships and trainee positions in areas such as accountancy and surveying, they found themselves in direct competition with schools and colleges for the well-qualified young people and in some cases were unable to fill vacancies. This was particularly apparent in Leicester, where employers pointed to a clear shortage of well-qualified young people entering the labour market due to increasing levels of participation in post-16 education. The 'competition' that appears to exist between employers and education providers to attract and retain better qualified school leavers may be further exacerbated by the proposed introduction of the foundation degree programme which was recommended by the National Skill Task Force as a means of enhancing the vocational route (NSTF, 1999). Foundation degree programmes are designed to encourage young people who are interested in pursuing the vocational route to obtain relevant

qualifications through either two years of full-time study or the part-time equivalent. Therefore, the 'pull' to enter the labour market to obtain vocational training and qualifications has yet again been weakened by proposed policy changes to the qualification system which appear to promote full-time learning among young people.

It would appear that the youth labour market identified by Ashton et al, which was defined purely in terms of the needs of the local employers, has largely been replaced over the last 20 years by a youth labour market that is driven by the demands of conflicting education and training policies which purport to serve the interests of both young people and the economy. The final section of this chapter will look at the messages from this research for a number of key players, namely; young people, employers, policy makers and academics.

9.4.1 Young people

The youth labour market defined by Ashton et al, was one in which the majority of young people left school at 16 and entered work. Given the protracted nature of the transition from school to work which now exists for many young people in relation to the routes, options and exclusion from the labour market, the definition of the 'youth labour market' includes young people between the ages of 16 to 24. Young people, at the end of compulsory schooling, face a bewildering array of 'choices' available to them, including for the majority of young people, remaining in education following vocational or academic courses which may lead to progression into higher education or employment at 18. However, despite the drive to encourage greater numbers of young people to remain in education, around 30 per cent of school leavers continue to leave school at 16 and enter

employment (with or without training) or government supported training provision, or become unemployed (DfEE, 1999b).

While great importance is attached in policy terms to encouraging young people to progress from school to their post-16 options, with the assumption that most young people are able to make sense of the multiple routes that are available to them and make successful transitions, there is growing evidence that many young people face difficulties in their decision-making (Bloomer and Hodkinson, 2000). This highlights the need for young people to receive the impartial guidance and support that they need to make informed choices about the array of post-16 options available to them, without favouring one route above another. Policy direction appears to favour increasing participation in post-compulsory education over and above an expansion of the work-based training route and this manifested itself in the findings from the interviews with employers in Leicester and Sunderland. Many employers felt that young people were encouraged to remain in education without being made fully aware of the range of opportunities available to them and believed that young people were being encouraged to think that leaving school at 16 was a 'second rate' option (Chapter 5).

The challenge for the new Connexions Service which will be operational in 2001, will be to ensure that impartial guidance and support is given to all young people both before and after reaching compulsory school leaving age. Guidance services are currently focused on Year 11 pupils, despite the fact that large numbers of young people stay on in education, move into employment and training and frequently make multiple transitions, depending on their qualification attainment and their post-16 experience.

Young people need to be fully aware that opportunities for learning and development exist within both full-time education and work-based training. In addition, despite an unwillingness on the part of policy-makers to accept that it is the case, there continues to be a demand from the local labour market for young people to fill relatively low skilled jobs. Again, young people need to be made aware of this. Evidence from the research in Leicester and Sunderland suggests that, while most employers in the sample recruited young people into employment outside government supported training programmes, only a small number used the local Careers Service for recruitment purposes (6.2). This implies that Careers Services were either largely unaware of local employment opportunities for young people or were unwilling to offer a placement service to employers or both. It also suggests that some employers felt unwilling to rely on the Careers Service for the recruitment of young people.

The Connexions Service will need to reach all young people, including those who are at risk of disaffection. Research evidence suggests that exclusion from post-16 education and training has its roots in earlier experiences of learning. Young people who are at risk of disaffection are also more likely to have truanted, or have been excluded, to have attained fewer educational qualifications and to have special educational needs (Newburn, 1999). Absence from school, in turn, leads to exclusion from formal systems of guidance and support. Young people who are at risk of disaffection or have become socially excluded are in greatest need, yet are probably least likely to receive meaningful help and support in any form of decision-making.

In essence, given the protracted transition between school and work, all young people should be fully aware of the routes and options available to them beyond compulsory

education. This includes providing young people with a realistic understanding of the anticipated returns of remaining in education until the age of 18 or 21 to undertake academic or vocational qualifications over and above the option of leaving school at 16 and beyond and entering the labour market. Crucially, young people need to be given a realistic understanding of the value that employers place on post-16 qualification attainment, in particular when they are choosing to enter the labour market at 17 or 18 years old. Many employers in the sample in Leicester and Sunderland had little understanding of new vocational qualifications, namely GNVQs, and tended to rely on Year 11 attainment levels and non-academic criteria in the selection process (6.3.1).

9.4.2 Employers

Evidence from the research with employers in Leicester and Sunderland would suggest that the drive within government policy to improve qualification and attainment rates among young people, primarily through increasing participation rates in post-compulsory education, is not necessarily meeting the needs of employers for youth labour.

From the research findings, clear tensions emerged between the two different strands of government policy, which on the one hand promotes the expansion of participation rates among young people in post-16 education and on the other hand supports the promotion of learning through the work based route. The net result appears to be that employers who wish to train young people find themselves competing with education providers for young people at the intermediate skills level, that is for well-qualified young people (5.3.3).

There was evidence that some employers were trying to address the competition they faced to attract well-qualified young people by actively promoting the training they had to offer and the value of work-based training by attending careers conventions and school open days in order to access potential applicants (6.5). However, some employers felt that they were at a clear disadvantage in relation to schools, which had a captive audience of young people and 'sold' the post-16 education option to young people over and above the work-based route.

Some industrial sectors have recognised the need to promote the interests of their employers in schools and colleges. For example, the Retail sector, with the support of the Department of Trade and Industry (DTI), produced industry guidelines which point to the benefits of companies forging links with schools and colleges to promote a greater understanding among teachers and young people of the scope of employment and development opportunities in the sector (DTI, 2000).

However, if employers offering high quality work-based training opportunities to school leavers, primarily through the Modern Apprenticeship route, fail to attract the calibre of young person that they are looking for, because of increased rates of educational participation, then the opportunities that currently exist in these segments of the youth labour market may become assigned to older groups of workers. That is, employers may be forced to abandon the recruitment of young people between the ages of 16 and 18 and train older workers instead. This, in turn, will reinforce the widely held notion that there are few high quality employment opportunities for young people in the labour market and that, by default, remaining in education becomes the only credible post-16 option for most Year 11 leavers.

The only segment of the youth labour market where employers in Leicester and Sunderland did not fear competition for young people from schools and colleges was in sectors which offered relatively low skilled jobs requiring few or no qualifications. These entry points into the labour market were not restricted to young people alone, as older applicants would be considered. If competition for well-qualified young people between employers and education providers results in the removal of this segment of the youth labour market, what will remain for 16 to 18-year old labour market entrants will be entry points into relatively low skilled work which will consist of a number of full-time jobs for some school leavers and an abundance of part-time jobs for students.

Finally, the findings from employers in Leicester and Sunderland highlighted a clear lack of understanding among many respondents about the scope and range of many educational qualifications (6.3.1). This points to an identifiable need to promote greater awareness among employers about the content and relevance of educational qualifications in the selection and recruitment process.

9.4.3 Policy makers

The 'youth agenda' has become an issue of key concern for government policy. An integral part of this agenda is to expand learning opportunities for all young people in order to improve economic competitiveness at two levels. First, there is a perceived need for a stronger vocational education and training system in order to fill the skills gap in relation to intermediate and associate professional vocational skills. This has been identified as an area in which the UK lags behind its international competitors (NSTF, 2000b). Second, despite overall increases in the rates of participation in post-compulsory

education among young people, participation rates have more or less plateaued since 1994, and the UK continues to have fewer young people moving into post-16 education in comparison with other developed industrial countries. Research evidence has also highlighted the influence of social class differences on levels of participation and attainment rates among young people. Young people from lower socio-economic groups continue to be much less likely than other young people to remain in full-time education after the age of 16 (Newburn, 1999).

Recent policy initiatives have been designed to expand learning opportunities and to overcome barriers to participation in learning for all young people. In order to achieve these policy objectives, government claims to have moved to a more 'integrated' model of education and training for 14-19 year olds, through the overarching strategy of 'Investing in Young People /Connexions' and the introduction in 2001, of national and local Learning and Skills Councils, which will be responsible for all post-16 education and training (except universities and school sixth forms) (8.1.1). While the introduction of these policies would suggest that there is an aim to achieve some equity between the education and training routes, section 9.2 has demonstrated that there are currently two competing pathways for young people: full-time compulsory education and the work-based training route. However, the thrust of government policy appears to be on the expansion of learning opportunities in full-time education through the introduction of GNVQs, revised 'A' level programmes, the introduction of foundation degree programmes and financial support packages which offer a greater scope for more young people to remain in education to achieve intermediate level qualifications.

The research with employers in Leicester and Sunderland has demonstrated that there was a clear friction between employers' demands for young people and young peoples' achievements and accessibility from the education system. While policy has been driven by the belief that the country needs a better-qualified and well trained workforce to improve economic competitiveness, the findings from this piece of research challenge whether this can be achieved primarily through mass participation of young people in post-compulsory education.

In particular, the findings highlighted that:

- many employers did not understand or place much weight on many post-16 qualifications (in particular vocational courses) presented by 17/18 year old labour market entrants;
- respondents in Leicester, where it was more difficult to recruit young people, felt that they were in competition with education providers for young people;
- employers continue to recruit 16/17 year olds, in the light of an identifiable demand for both well-qualified young people whom employers wish to train at technician and intermediary level, and for a greater number of young people with fewer academic qualifications to fill routine/low skilled jobs;
- employers in both labour markets made little use of the Careers Services to support their recruitment of young people.

There is an apparent mismatch between the ambition to improve economic competitiveness primarily through mass participation among young people in post-compulsory education and, at the local labour market level, employers' demands for skills. In addition to evaluating the demand for skills at a national level, there is a need

for a greater understanding of employers' demands for young people at a local labour market level and of the variations that may exist between local labour markets. Furthermore, the introduction of a raft of new educational qualifications to attract young people to remain in education, needs to be evaluated alongside employers' demands for these qualifications and employers' needs for large proportions of young people to remain in post-compulsory education.

Third, despite the requirement to address the recognised national skill deficiency at intermediate level, there continues to be a demand from the labour market for semi-skilled and unskilled labour. The level of demand from employers for young people to fill low level jobs remains largely ignored in policy terms. Some analysis and understanding of employers' demands for youth labour, particularly that which exists outside government supported training programmes may facilitate some policy intervention to enhance opportunities for young people. This may lead to more young people who choose to enter the labour market at the earliest opportunity to access further training and development and support at a later stage if they so wish. It will also enable policy makers to have a greater understanding of the scale of full-time and part-time employment opportunities which currently exist for young people in the labour market.

Finally, the research findings highlighted that the current guidance and support mechanisms available from Careers Services had little part to play in employers' selection and recruitment of young people. The challenge for the new Connexions Service, which is being introduced to improve outreach and social support to all young people, will be to harness the support of employers to meet the educational and training needs of young people, while at the same time appreciating and valuing employers' recruitment needs. In

addition, the Connexions Service will need to confront the failure of current education and training policies to engage some young people and retain even greater proportions in education, employment or training.

9.4.4 Future research

By replicating an earlier study on a much smaller scale, this piece of research has provided a 'snap shot' of the youth labour market through a study of employers in two contrasting labour markets. The findings demonstrate that, despite the widely held belief that the traditional youth labour market has collapsed, there continues to be a demand from employers for youth labour and that the supply of and demand for young people varies between local labour markets.

More research is needed to explore the structure and scale of opportunities that exist within and between local labour markets for young people and how job opportunities are determined by government supported training and through full-time and part-time employment. Crucially, there is a need to explore how employers' demands for young people concur with government policies which are committed to expanding participation among young people in post-16 education and the promotion of national qualification targets which are geared to enhancing the nation's economic position.

The starting point for any future research rests on untangling the now all-embracing term 'young person' and the options and routes available to young people. The traditional youth labour market was defined in terms of the majority of young people leaving school at 16 and entering employment. Young people now enter the labour market at any time between the ages of 16 and 22. Many young people will enter the labour market having

participated in post-16 education and/or higher education in pursuit of an array of vocational and academic qualifications. Other young people will have experienced government supported training and, perhaps, post-16 education provision. There remains a proportion of young people who try to enter the labour market having completed or failed to complete compulsory education.

The multiple options and routes available to young people remain largely under-researched. Little evidence is available about the structure of young peoples' decision-making at 16, at the end of post-16 education and beyond. Tracking young people through the multiple routes that are now available also remains a largely under-developed area of research. While recent evidence has been emerging about the number of young people who fail to complete Modern Apprenticeship programmes (Coleman and Williams, 1998), little is known about the reasons why young people fail to complete post-16 education courses or, if they do, why some young people do not progress into higher education.

While post-16 educational participation rates have grown, there has been an escalation of part-time working among students. The importance of casual student labour to the economy remains largely untested. In addition, there is a need to investigate the extent to which part-time working may enhance or inhibit the employability of young people.

By providing a greater understanding of the post-16 routes and destinations of young people, such research would generate the evidence to support the rationale for the development of policies which largely promote mass post-16 educational participation. It

may also result in a questioning of whether more needs to be done to match employers' demand for skills through a greater emphasis on work-based training for young people.

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APPENDIX A

QUESTIONNAIRE

QUESTIONNAIRE

Interviews with Employers

SECTION 1 - BACKGROUND DETAILS

Company Name :

Address :

Tel / Fax numbers :

Name of Respondent :

Position held in Organisation :

SIC of Establishment :

Date of Interview :

SECTION 2 - BUSINESS ACTIVITY

1 What is the main business activity at this establishment ?

Manufacturing	1
Construction	2
Retail	3
Wholesale	4
Transport services (private sector)	5
Consumer services (catering, entertainment, etc)	6
Financial or business services	7
Public sector	8

2 What is the status of this establishment. Is it ...?

A sole place of trading	1
Part of a national group	2
Part of a local group	3
Part of an international group which is UK owned	4
Part of an international group which is foreign owned	5

3 Is this establishment part of the public or private sector ?

Public sector	1
Private sector	2

4 What trends have you observed in the following aspects of your business over the past two years, and what trends do you anticipate over the next two years ?

Since mid 1996 our:	Has increased	Has been static	Has declined
1 Volume of Business			
2 Range of Services			
3 Customer base			

By year 2000, we expect our:	Will increase	Will be static	Will decline
1 Volume of Business			
2 Range of Services			
3 Customer base			

5 Over the next five years, what do you expect to happen to:

TURNOVER	EMPLOYMENT	PROFITS
Increase	Increase	Increase
Stay about the same	Stay about the same	Stay about the same
Decrease	Decrease	Decrease

Explanation for responses :

SECTION 3 - STRUCTURE OF THE WORKFORCE

6 How many people are employed at this establishment ?

1 - 9	1
10 - 24	2
25 - 49	3
50 - 99	4
100 - 199	5
200 - 499	6
500 - 999	7

1,000 + 8

7 ***Has the number of full time employees increased, decreased or stayed the same over the last two years ?***

Increased 1
Decreased 2
Stayed the same 3

Reason ?

8 What is the total number of full-time employees in this establishment in the following categories ?

	Male	Female	Total
Managers & Administrators			
Professionals			
Associate Prof / Technical			
Clerical & Secretarial			
Craft & Skilled Manual			
Personal & Protective Services			
Sales			
Plant & Machine Operators			
Others			

9 Have the number of employees in each category increased , decreased or stayed the same over the last two years ?

10 How is the workforce broken down into the following age groups ?

	Male		Female		Total	
	No	%	No	%	No	%
Under 20						
20 -29						
30 - 39						
40 - 49						
50 and over						

11 Are there any occupations / departments within this establishment, which experience either noticeably high or noticeably low turnover rates compared with the rest of the firm ?

Which are these ?
RECORD

12 How many people are employed part-time, at or from this establishment?

None	1 Move to Q16
1 - 9	2
10 - 24	3
25 - 49	4
50 - 99	5
100 - 199	6
200 - 499	7
500 - 999	8
1,000 +	9

13 Has the number of part-time employees increased, decreased or stayed the same over the last two years ?

Increased	1
Decreased	2
Stayed the same	3

Reason ?

14 Into which occupational areas do you recruit part-time workers ?

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8
Others	9

15 What % of part - time workers are male / female ?

Male

WRITE IN _____%_ AND CODE	
1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	

Female

WRITE IN _____%_ AND CODE	
1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	

16 Are any part - time workers in jobs which may previously been taken on a full-time basis by young adults (18 - 24) or school leavers (16 - 19)?

YES 1
NO 2
IF YES - What has brought about this change ?

17 Do you employ young people ie anyone under the age of 19 ?

YES 1
NO 2

If YES ask **Q18**

If NO - please state reasons and **MOVE TO SECTION 4**

18 Has the number of young people employed by you on a full time basis increased or decreased in the last 2 years?
Increased 1
Decreased 2
Stable 3
Don't know 4

Why is that ?

19 For what jobs do you recruit young people
RECORD

20 How many, do you recruit each year ?

	Total
Managers & Administrators	
Professionals	
Associate Prof / Technical	
Clerical & Secretarial	
Craft & Skilled Manual	
Personal & Protective Services	
Sales	
Plant & Machine Operators	
Others	

21 Are there any jobs normally filled by young people which have significantly high turnover rates compared with the rest of the firm, due to them leaving ?

Which jobs are these ?
RECORD

22 Do you employ school / college students as part-time workers ?

YES	1
NO	2

If YES - What % of the part-time labour force do they constitute ?
WRITE IN _____ AND CODE

1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

23 Do you employ school leavers as part-time workers ?

YES	1
NO	2

If YES - What percentage ?
WRITE IN _____ AND CODE

1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

24 Has the number of young people employed by you on a part-time basis increased or decreased in the last 2 years ?

increased	1
decreased	2
stable	3
don't know	4

Why is that ?

SECTION 4 - GOVERNMENT TRAINING PROVISION

25 Do you participate in Government Supported Training provision ?

YES	1
NO	2

If YES
RECORD ALL MENTIONED

Youth Training / Credits	1
Modern Apprenticeships (Career Apps - Leics)	2
Training for Work	3
Other (.....)	4

If YES
RECORD ALL MENTIONED
Do you :

Provide work experience for young people	6
Act as a training supplier	7
Act as both	8

If NO, state any reasons given and move to **SECTION 5**

If YES to Youth Training / Credits move to Q26 - 34

If YES to Modern Apprenticeships answer Q35 to the end of the section

25a How many YT Trainees/MAs do you recruit each year ?

26 Are any of your YT trainees (Career Training in Leicestershire and the Visions Programme in Sunderland) granted employed status '?

All	1
Some	2
None	3

Ask if some
What percentage ?
WRITE IN _____ AND CODE

1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

27 Has this proportion changed over the last 2 years ?

Increased	1
Decreased	2
Stayed the same	3

28 For which occupations have you recruited YT trainees over the last year ? RECORD

Associate Prof / Technical	1
Clerical & Secretarial	2
Craft & Skilled Manual	3
Personal & Protective Services	4
Sales	5
Plant & Machine Operators	6
Others	7

29 Have there been any significant changes in the occupational areas in which you offer YT provision over the last 2 years ?

YES	1
NO	2

ASK IF YES
What are these changes and why have they taken place ?

30 Do you currently encounter any problems in filling YT vacancies ?

YES	1
NO	2

If YES, state any reasons given

31 What NVQ level do your YT trainees achieve ?

Level 1	1
Level 2	2
Level 3	3
Level 4	4

32 Does this vary between occupational areas ?

YES	1
NO	2

If YES why ?

33 How is the YT training package organised for your trainees ?

On -the-job only	1
A mixture of on-the-job and off-the-job	2

34 Where does the off-the-job training take place ?

College of Further Education	1
A training organisation or a training provider	2
An in-house training department	3
Other (WRITE IN)	4

35 Into which occupations do you recruit MAs?

RECORD and CODE

Associate Prof / Technical	1
Clerical & Secretarial	2
Craft & Skilled Manual	3
Personal & Protective Services	4
Sales	5
Plant & Machine Operators	6
Others	7

36 Do you currently encounter any problems recruiting MODERN APPRENTICES ?

YES	1
NO	2

ASK IF YES
WHY ?

37 What NVQ level do your MA trainees achieve ?

Level 1	1
Level 2	2
Level 3	3
Level 4	4

38 How is the MODERN APPRENTICESHIP training package organised for your trainees ?

On-the-job only	1
A mixture of on-the-job and off-the-job	2

Does this vary between occupational areas ?

YES	1
NO	2
If YES why ?	

39 Where does the off-the-job training take place ?

College of Further Education	1
A training organisation or a training provider	2
An in-house training department	3
Other (WRITE IN)	4

SECTION 5 - SELECTION AND RECRUITMENT STRATEGIES

40 Do you have a manpower policy ?

41 How far ahead do you plan your manpower policy in a precise way which sets out numbers to be recruited, trained or retrained for each type of worker ?

Not at all	1
0-6 months	2
6-12 months	3
12-18 months	4
Over 18 months	5
Other (specify)	6

42 What is your usual channel of recruitment for the different categories of workers?

	Manual	Non - Manual
Jobcentre	1	1
Private Employment Agency	2	2
National Press advertisement	3	3
Local press advertisement	4	4
Advertisement on notice board accessible to the public	5	5
Personal recommendation / word of mouth	6	6
Direct application	7	7
Internal advertisement / promotion	8	8
Careers Service	9	9
Trade Union	10	10
Upgrading	11	11
Back files of previous applicants	12	12
Government Training Provision (eg YT, MA, TFW)	13	13
Other (specify)	14	14

43 How do you select for these occupations ?

	Manual	Non - Manual
Interviewed by Personnel Dept	1	1
Interviewed by Departmental Manager	2	2
Given a written aptitude test	3	3
Given a practical test	4	4
Asked for references from school/college or previous work	5	5
Put on probation to assess suitability	6	6
Other screening device (specify)	7	7

44 Are there particular categories of employee which you find difficult to recruit at the present time ?

YES 1
NO 2

State any reasons given

45 What is your attitude towards employing someone who is currently unemployed ?

46 During the last 5 years have there been any changes in the level of qualifications demanded of prospective employees by you ?

YES 1
NO 2
If yes, what has prompted these changes ?

IF EMPLOYER DOES NOT RECRUIT YOUNG PEOPLE, MOVE TO SECTION 6

47 Of the YOUNG PEOPLE taken on by you during the last two years (not for government training programmes), how were they recruited ?

	Manual	Non - Manual
Jobcentre	1	1
Private Employment Agency	2	2
National Press advertisement	3	3
Local press advertisement	4	4
Advertisement on notice board accessible to the public	5	5
Personal recommendation / word of mouth	6	6
Direct application	7	7
Internal advertisement / promotion	8	8
Careers Service	9	9
Trade Union	10	10
Upgrading	11	11
Back files of previous applicants	12	12
Government Training Provision (eg YT, MA, TFW)	13	13

Other (specify)	14	14

48 Of the YOUNG PEOPLE taken on by you during the last two years FOR government supported training programmes, how were they recruited ?

Jobcentre	1
Private Employment Agency	2
National Press advertisement	3
Local press advertisement	4
Advertisement on notice board accessible to the public	5
Personal recommendation / word of mouth	6
Direct application	7
Internal advertisement / promotion	8
Careers Service	9
Trade Union	10
Upgrading	11
Back files of previous applicants	12
Training Provider	13
ITO	14
Other (specify)	15

49 Which is the most used method of recruitment for young people for GOVERNMENT SUPPORTED TRAINING PROGRAMMES ?

Jobcentre	1
Private Employment Agency	2
National Press advertisement	3
Local press advertisement	4
Advertisement on notice board accessible to the public	5
Personal recommendation / word of mouth	6
Direct application	7
Internal advertisement / promotion	8
Careers Service	9
Trade Union	10
Upgrading	11
Back files of previous applicants	12
Training Provider	13
ITO	14
Other (specify)	15

50 Which is the most used method of recruitment for young people for FULL-TIME Employment?

Jobcentre	1
Private Employment Agency	2
National Press advertisement	3
Local press advertisement	4
Advertisement on notice board accessible to the public	5
Personal recommendation / word of mouth	6
Direct application	7
Internal advertisement / promotion	8
Careers Service	9
Trade Union	10
Upgrading	11
Back files of previous applicants	12
Training Provider	13
ITO	14
Other (specify)	15

51 Which is the most used method of recruitment for young people for PART-TIME Employment?

Jobcentre	1
Private Employment Agency	2
National Press advertisement	3
Local press advertisement	4
Advertisement on notice board accessible to the public	5
Personal recommendation / word of mouth	6
Direct application	7
Internal advertisement / promotion	8
Careers Service	9
Trade Union	10
Upgrading	11
Back files of previous applicants	12
Training Provider	13
ITO	14
Other (specify)	15

52 Are there any semi-skilled or unskilled jobs for which young people would definitely not be recruited ?

Yes	1
No	2
Which are these	

53 Why are young people not recruited for these jobs ?

54 When you recruit young people, what educational qualifications are required ?

55 Are these qualifications insisted upon every occasion or are they merely used as guidelines ?

56 Besides these qualifications, what other qualities, if any, do you look for in potential young recruits ?

a) how do you test for these qualities

57 What are your views on the value of different educational qualifications as yardsticks of a candidate's ability ?

58 Are there any occupations for which you recruit only young people ?
Which are these ?

59 Are there any occupations for which you previously recruited school leavers that are now occupied by graduates ?
YES 1
NO 2

Which are these ?

What has brought about this change ?

60 What is the typical weekly wage of a young person on Government training provision ?

WRITE IN

60a At what stage in the recruitment and selection process do you inform young people that they are participating in Government supported training provision ?

61 What is the typical weekly wage of a young person NOT on Government Supported raining Provision ?

WRITE IN

SECTION 6 - COMPANY TRAINING PROVISION

62 Do you provide training for NEW employees (not on government supported training provision) ?

Yes	1
No	2

For which groups ?

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8
Others	9

63 What type of training do they receive ?

a) Managers & Administrators

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

b) Professionals

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

c) Associate Prof/Technical

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full - time college less than one year	4
Full - time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

d) Clerical & Secretarial

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?

State total number of weeks

State the qualifications that will be gained at the end of the training period

e) Craft & Skilled Manual

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

f) Personal & Protective Services

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job
Day release 1
Block release 2
Evening classes 3
Full-time college less than one year 4
Full-time college more than one year 5
Other (specify) 6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

g) Sales
on-the-job
Formal training programme 1
Trained by superior 2
Other (specify) 3

off-the-job
Day release 1
Block release 2
Evening classes 3
Full-time college less than one year 4
Full-time college more than one year 5
Other (specify) 6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

h) Plant & Machine Operators
on-the-job
Formal training programme 1
Trained by superior 2
Other (specify) 3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

i) Others

on-the-job

Formal training programme	1
Trained by superior	2
Other (specify)	3

off-the-job

Day release	1
Block release	2
Evening classes	3
Full-time college less than one year	4
Full-time college more than one year	5
Other (specify)	6

How long does the training last ?
State total number of weeks

State the qualifications that will be gained at the end of the training period

64 Do you offer training provision to EXISTING employees ?

YES	1
NO	2

If YES - for which groups ?

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8
Others	9

65 Over the last two years has the amount of training provision offered to EXISTING employees

Increased	1
Decreased	2
Stayed the same	3

Reason

66 Over the next two years , do you expect your training needs to change ? (PLEASE TICK AS APPROPRIATE)

	Increase	*Likely to Stay the same*	*Decrease*
Total volume of training	1	1	1
Proportion of employees receiving training	2	2	2
Amount spent on training	3	3	3

67 What are the main areas in which you intend to train over the next two years ?

(PLEASE SPECIFY)

SECTION 7 - STRUCTURE OF THE INTERNAL LABOUR MARKET

68 Is there a system of upgrading or internal promotion within the organisation ?

YES	1
NO	2

If YES ask **Q68**
If NO move to **Q74**

69 Which categories of employees are included in the system of upgrading or internal promotion

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8
Others	9

70 Is the system of upgrading or internal promotion the same for each category of employee ?

YES	1
NO	2

If NO, what differences exist

71 Over the last 2 years what percentage of vacancies have been filled through internal promotion ?

WRITE IN _____ AND CODE	
1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

72 Is there any category of employee which would ONLY be recruited through internal promotion ?

YES	1
NO	2
If YES - RECORD	
Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8
Others	9

73 Which category(ies) of employee would ONLY be recruited through external recruitment ?

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8

74 How many (%) young people recruited by you stay with the company long enough to obtain some form of upgrading or promotion ?

What percentage ?
WRITE IN _____ AND CODE

1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

75 Do you have any problems with other firms poaching your workers from you ?
YES
NO
If YES - RECORD

Managers & Administrators	1
Professionals	2
Associate Prof / Technical	3
Clerical & Secretarial	4
Craft & Skilled Manual	5
Personal & Protective Services	6
Sales	7
Plant & Machine Operators	8

76 Does this affect you company's attitude towards staff development ie training, upgrading and promotion ?

77 Do you wish to make any further comments about staff training and development ?

YES	1
NO	2

Comments

APPENDIX B

TRAINING SUPPLIERS' CHECKLIST

Training Suppliers' Checklist

Background Details

Name of Training Supplier
Contact Name
Job Title
Address

Telephone Number
Date

State the category which describes the organisation :

Local Employer	1
National Employer	2
Private Training Organisation	3
College of FE	4
Voluntary Body	5
Other ( )	6

Government Supported Training Provision

What is the nature of the training provision offered at this establishment ?

RECORD ALL MENTIONED

Youth Training / Credits (Career Start - Leics)	1
Modern Apprenticeships (Career Apps - Leics)	2
Training for Work	3
Career Choice (Leics)	4
Other (.....)	5

Do you :

Provide work experience for young people	6
Act as a training supplier	7
Act as both	8

Involvement in Youth Training / Credits (Career Start - Leicester)

Into which occupational areas do you currently recruit young people for Career Start ?

RECORD

Associate Prof / Technical	1
Clerical & Secretarial	2
Craft & Skilled Manual	3
Personal & Protective Services	4
Sales	5
Plant & Machine Operators	6
Others	7

Have there been any significant changes in the occupational areas in which you offer Career Start over the last 2 years ?

YES	1
NO	2

ASK IF YES
What are these changes and why have they taken place ?

How many young people do you recruit for Career Start each year ?

Has the number increased, decreased or stayed the same over the last two years ?

How do you select and recruit young people for the programme ?

At what stage in the recritment and selection process are young people informed that their training is supported by government funding ?

Are any of your trainees (Career Training in Leicestershire and the Visions Programme in Sunderland) granted employed status '?

All	1
Some	2

None 3

Ask if some
What percentage ?
WRITE IN _____ AND CODE

1 - 25%	1
26 - 50%	2
51 - 75%	3
76 - 100 %	4

Has this proportion changed over the last 2 years ?

Increased	1
Decreased	2
Stayed the same	3

Do you currently encounter any problems in filling vacancies for Career Start ?

YES	1
NO	2

If YES, state any reasons given

Do you currently encounter any difficulties finding suitable work placements for trainees ?

What NVQ level do trainees typically achieve ?

Level 1	1
Level 2	2
Level 3	3
Level 4	4

Does this vary between occupational areas ?

YES	1
NO	2

If YES why ?

What is the average age of a young person on Career Start ?

Has this changed over the last two years

How is the training package organised for your trainees ?

On -the-job only 1
A mixture of on-the-job and off-the-job 2

Have there been any significants changes over the last two years to the way in which the training package is organised ?
YES 1
NO 2
Reason

Where does the off-the-job training take place ?
College of Further Education 1
A training organisation or a training provider 2
An in-house training department 3
Other (WRITE IN) 4

Modern Apprenticeships - Career Apprenticeships

Into which occupational areas do you currently recruit young people for Career Apprenticeships?

RECORD

Associate Prof / Technical	1
Clerical & Secretarial	2
Craft & Skilled Manual	3
Personal & Protective Services	4
Sales	5
Plant & Machine Operators	6
Others	7

Have there been any significant changes in the occupational areas in which you offer Career Apprenticeships since the programme began?

YES	1
NO	2

ASK IF YES
What are these changes and why have they taken place ?

How many young people do you recruit for Modern Apprenticeships each year ?

Has the number increased, decreased or stayed the same over the last two years ?

How do you select and recruit young people for the programme ?

At what stage in the recritment and selection process are young people informed that their training is supported by government funding ?

Do you currently encounter any problems in filling vacancies for Career Apprenticeships?

YES	1
NO	2

If YES, state any reasons given

Do you encounter any difficulties finding suitable work placements for trainees ?

Do trainees encounter any problems achieving both the occupational and key skills targets contained within the programme ?

YES 1
NO 2

What is the average age of trainees on the Career Apprenticeship Programme?

How is the training package organised for your trainees ?

On -the-job only 1
A mixture of on-the-job and off-the-job 2

Have there been any significants changes since the programme began intthe way in which the training package is organised ?
YES 1
NO 2
Reason

Where does the off-the-job training take place ?
College of Further Education 1
A training organisation or a training provider 2
An in-house training department 3
Other (WRITE IN) 4

Employment Opportunities for Young people In Leicester

What percentage of young people are offered employment at the end of Career Start / Modern Apprenticeships by

a) their sponsoring employer

Career Start

Career Apprenticeships

b) other employers

Have there been any recent changes to retention rates ?

Is drop-out by young people from Career Start / Career Apprenticeships, a problem ?

Is the "Career Card" approach to youth training working for both employers and young people ?

Does youth training provision in Leicester currently meet the demand from both young people and local employers ?

What improvements could be made to youth training provision ?

Has increased participation in education by young people affected training provision ?

How do you see the future for youth training in the next five years ?