

Careers advice, information and guidance

Submission to Sub-Committee on Education, Skills and the
Economy

Chartered Institute of Personnel and Development (CIPD)

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Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with 60% of our members working in private sector services and manufacturing, 33% working in the public sector and 7% in the not-for-profit sector. In addition, 76% of the FTSE 100 companies have CIPD members at director level.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Our response

The quality and impartiality of current provision

The Government has a responsibility as part of its wider education and skills policy to ensure young people have a clear understanding of where they can go in work and, just as importantly, how they can get there. It must ensure that the workforce of tomorrow is equipped with the knowledge of the wide range of opportunities and pathways available into work, allowing them to reach their potential and bring benefits to the economy. This requires a joined-up approach between different government departments, namely the Department for Business, Innovation and Skills, the Department for Education and the Department for Work and Pensions. For too long, different departments have operated with a 'silo' approach, the result being that young people are the ones to suffer.

An Ofsted report into the effectiveness of careers advice, released in September 2013, was highly critical of the standard of careers advice and guidance in schools and colleges ever since they were handed responsibility for its provision in September 2012. In particular, the report identified shortcomings when it came to promoting opportunities to young people that were not reliant on having a degree, including vocational training and apprenticeships.

These attitudes were echoed in a CIPD survey report published in March 2015, parents were asked how satisfied they were with the provision of careers advice and guidance, to which **29%** reported they were happy with the quality of careers advice and guidance provided to their children; a very slightly higher percentage said they were unhappy (**31%**). When asked about the amount of information provided about apprenticeship opportunities in their local area, only **29%** said they were satisfied, although a lower percentage (**22%**) did say they were dissatisfied.

It is particularly telling that a large number of young people and parents do not feel too well informed about routes into work that are alternatives to going to university, such as vocational training or apprenticeships. In our 2013 report, *Employers are from Mars, young people are from Venus: addressing the young people / jobs mismatch*, we asked young people how they would improve careers advice and guidance if they were Education Minister? One of the answers they gave was: “more information on choices, in particular apprenticeships and other alternatives to university.” This situation shows a significant mismatch between what careers advice is currently provided, and what people – both parents and young people – want or expect. This seems even more anomalous in the current ‘climate’ where the Government has set itself an ambitious target for creating 3 million apprenticeships and, from 2017, will be imposing an Apprenticeship Levy on employers that have a wage bill exceeding £3 million a year in order to fund them. The appetite to learn about vocational training appears to be there, but the provision of quality and impartial advice is not.

It appears that an attitude has pervaded society that going from school and college to university is seen as the “traditional” route to follow; indeed, schools and colleges often try and attract prospective pupils using statistics for the number of their own students that end up studying at university. Consequently, university graduates, who traditionally “walked into jobs” now struggle to find suitable employment, finding their chances of getting a graduate level job straight out of university are limited in a very saturated graduate labour market. Our own report, *Over-qualification and skills mismatch in the graduate labour market*, found that 58.8% of graduates are currently working in non-graduate roles – a percentage only exceeded by Greece and Estonia in the OECD. Knock-on effects of this are that employers now use degrees as a requirement when recruiting for traditionally non-graduate roles, which has the combined effect of wasting any skills ‘premium’ that exists between a graduate and non-graduate, at the same time as adversely affects occupations in which apprenticeships have been historically important, such as construction and manufacturing.

Moreover, a rise in higher education costs also means that there is now a high financial penalty for those who make bad or ill-informed choices when they leave school. Given that recent Government estimates show that 45% of university graduates will not earn enough to repay their student loans, this situation is becoming unsustainable. Careers advice and guidance must therefore take stock of this, providing a picture of the world of work to young people that reflects the wide range of opportunities available to young people and the various entry routes, as well as setting out the risks of poor choices.

How careers advice in schools and colleges can help to match skills with labour market needs

Knowledge of the local labour market is vitally important in order to help careers advice and guidance be effective in matching skills with local labour market needs. Ofsted's report found that the most effective careers guidance interviews were carried out by "external, qualified careers guidance professionals", and cited one of the key characteristics that defined a good interview as:

"each career adviser's extensive knowledge of the local provision and their access to up-to-date information on the local labour markets, local business developments and local skills shortages or trends that had been identified."

This is certainly important in helping to ensure that young people develop better informed ideas of future career paths and, consequently, make more realistic choices. Studying local labour market needs can help identify mismatches in certain fields, and working out the eventual likelihood of eventually securing a certain job. While it might be said that this may dampen ambition in the future workforce by putting them off certain careers, it is important nonetheless to ensure that young people are as best informed as possible of the local labour market, as making an ill-informed decision can have very damaging consequences, both in terms of future employment prospects and financial cost.

It goes without saying that any data used within the provision of careers information, advice and guidance in schools would have to be contemporary and regularly updated. It would, for example, be useless to be using data of the local jobs market from years previous, as local job markets can be very dynamic and skills shortages in certain sectors can emerge or be plugged in relatively short spaces of time. Poor quality information being fed in to careers advice and guidance has the potential to be just as damaging to young people's employment prospects as poor quality advice and guidance itself. It stands to reason, therefore, that it is within the interest of local jobs markets and organisations to record and collate this data, perhaps through the local authority or the Local Enterprise Partnership. It may be that those sectors that might be experiencing skills shortages – or envisioning them shortly – may wish to communicate this with local bodies or schools and colleges, and use this as incentive to foster partnerships and go into local institutions in order to exhibit their area of work, or offer work experience, to the potential workforce of the future.

One final point to make is that matching skills with labour market needs could have a positive effect on the number of alternative routes into work, such as apprenticeships or vocational and 'on the job' training. While young people that go into higher education often move away from the local area to undertake their courses of study, those that take other routes are more disposed to, at least in the short term, remain in the local area. This is perhaps due to the lower level of pay



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immediately available to those taking apprenticeships. Notwithstanding, young people are less likely to move a significant distance to undertake 'on the job' training that, at least in the short term, will not be paying particularly high wages.

Encouraging local organisations to report the number of jobs available locally, particularly those that offer apprenticeships and other forms of 'on the job' training, can certainly have a positive effect on the standard of careers information, advice and guidance. Particularly with this Government's drive to create 3 million apprenticeships over the course of this Parliament, it makes sense to encourage local institutions, perhaps local authorities or LEPs, to gather this information and feed it into education providers to assist young people in making well-informed and realistic decisions regarding their future careers.

The role of the new Careers and Enterprise Company and its relationship with other bodies, such as the National Careers Service

The CIPD has welcomed initiatives from the Government in addressing this, through the formation of the Careers and Enterprise Company to help young people between the ages of 12-18 access advice and inspiration about the world of work by encouraging greater collaboration between schools and colleges and employers. Its role lies in taking a wider view of the landscape of careers and enterprise, identifying and lending their support to certain programmes that work, plugging any gaps in existing provision and helping them to scale up by ensuring that coverage is provided and extended across the country. One example of this is the Inspiring the Future initiative, which matches schools with local employers. The CIPD has been delighted to work with the charity Education and Employers Taskforce on this free national initiative, and a number of our members have gone into schools in support of the programme. Our members, as HR professionals and therefore often the 'gatekeepers' to recruitment within their organisation, have a very valuable role to play in helping educate young people with their CVs, with mock interviews or giving them a wider understanding of how they can prepare for the world of work.

The role of facilitating encounters between schools and colleges and employers is well evidenced – suggesting that the creation of the Careers and Enterprise Company is a step in the right direction. Research conducted by the Education and Employers Taskforce found that young adults who encounter four or more employers while at school are, on average, 18% less likely to end up a NEET (not in education, employment or training), compared to peers that had lower levels of employer contact while at school. The benefits of such engagement with employers, however, are not just limited to young people: reaching out to schools and colleges can also help employers to attract and recruit young talent, as positive engagement can inspire young people to make educational choices that will help set them up for a future career with that organisation.

Our most recent CIPD Learning to Work survey found that 57% of employers are currently working with schools and colleges in some way, which is encouraging. This engagement ranges from offering work experience, workplace visits or careers insight talks. Schools



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and colleges could potentially tap into the 'missing' 43% of employers through a better understanding of who and what is out there in terms of provision and brokering effective relationships. Engagement with local authorities and Local Enterprise Partnerships could assist in building these relationships, and would also have the added benefit of helping to match and foster relationships between employers that require skills in a certain area of the local labour market to local schools and colleges.

One programme that the Careers and Enterprise Company has set up, and the CIPD has been delighted to assist with, is the Enterprise Adviser network. This aims to build a network of Enterprise Advisers, drawn from employers, to work directly with schools and college leaders in order to set up and develop effective employer engagement plans. Assisted by full-time network co-ordinators who will be equipped with the tools needed to exhibit the range of programmes available to schools and colleges at both a local and national level, for example inviting speakers in schools; CV, skills and confidence building; and work experience. The Enterprise Adviser network will help co-ordinate and 'join the dots' at a local level and increase coverage right across the country, and the CIPD is proud to say that, at present, over fifty of our members have signed up as Enterprise Advisers.

The CIPD also welcomes the very recent announcement from the Department for Work and Pensions about the initiative that, beginning in January 2016, will provide Jobcentre Plus support for schools to deliver their statutory duty to provide effective careers advice and guidance to their students. It particularly welcomes the direction at the outset to target those young people particularly at risk of becoming NEET or who are otherwise disadvantaged in the labour market.

It is, however, too early to tell whether these initiatives will be truly effective in improving the quality of careers advice and guidance. In the year from November 2014 (just before the creation of the CEC) to November 2015, youth unemployment has dropped by 106,000 (or 1.3 percentage points), although in the absence of detailed statistical analysis of the role that these initiatives have played up to now, and will continue to do so moving forward, it is hard to make a fair judgement on its efficacy. They do, however, have the potential to change the landscape of careers advice and guidance for the better.

The balance between national and local approaches to careers advice

The CIPD does not have much to contribute on what the balance between national and local approaches should be, other than that both should be engaged as much as possible and feed in as much contemporary and up-to-date data that can help careers advisers assist young people in making the most well-informed decisions about their future career choices as possible.

Careers advice and apprenticeships

Particularly with the current Government's ambitious target to create 3 million apprenticeships over this Parliament, it is vitally important that apprenticeships are viewed as a viable alternative to university and not seen as a poor second choice for academic under-achievers. It is important that the benefits of an apprenticeship are seen not just by young people, however, but also by their parents, who are a very strong influencer on a young person. That is why, in August 2015, CIPD published *Great expectations* – a careers guide for parents, which aimed to inform and explain to parents the various routes into work that their children may wish to consider.

There are, of course, a number of advantages to a young person undertaking an apprenticeship, including:

- apprenticeships are, of course, a real job that allows someone to earn as they learn
- employers like apprenticeships
- apprentices gain hands-on experience, not only of their trade, but also of the workplace and being part of a workforce
- they provide opportunities to study towards a related qualification
- apprenticeships provide challenging, yet rewarding, work

The challenge with marketing apprenticeships as a feasible way into work is making sure that these benefits are made clear to young people through their careers advice, information and guidance. There is potential for local employers that do offer apprenticeships to build links, particularly locally, with schools and colleges that allow them to visit schools to talk to young people about the benefits associated with taking an apprenticeship, both to the apprentices themselves, as well as to the employer. The Careers and Enterprise Company could play a significant role in this. One other way that apprenticeships can be marketed to young people is to have apprentices themselves 'championed' as role models that young people may want to emulate.

The potential for employers to play a greater role in careers advice

There is great potential for employers to play a greater role in careers advice for young people. As mentioned previously in this submission, there are a number of initiatives set up such as Inspiring the Future and the Enterprise Adviser programme that can place employers at the forefront of the provision of careers advice and guidance. As the CIPD's Learning to Work survey found, 57% of employers surveyed are currently working in schools in some way. However, this figure can certainly be improved.

One way of doing this is by employers encouraging their staff to become involved in engagement with young people through volunteering. Volunteering and social action have become hot topics on the political agenda over the past few years, from 'Big Society' right through to David Cameron's announcement back in April, in the run up to the General



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Election, that employees in large organisations should be able to have three days leave per year for volunteering. The Government has committed to introducing this policy over the next five years and the CIPD have already held talks with officials from the Cabinet Office and BIS, feeding in our views as to how this can be implemented to the benefit, as opposed to the detriment – as some feared – of organisations and their employees. This initiative could provide an excellent opportunity for employers to engage with local education providers to play a greater role in careers advice.

For employers to wish to engage with local education providers, however, it seems wise to ensure that the exercise is seen as mutually beneficial to them as well. While there is the case that partnering with schools and colleges could open up a link for future talent coming into the organisation, this would not necessarily be seen overnight. Being seen to offer this engagement may also lead to ‘goodwill’ within the community, although this again is not too easily measured. There is, however, a good business case for employers to engage and offer volunteering – it can help their existing staff develop new skills. Our research finds that staff with volunteering experience often demonstrate better communication and team working skills, as well as a greater understanding of the local community in which the organisation operates. Moreover, more than two thirds of employers (70%) surveyed at the end of 2014 said volunteering could form part of staff development plans. The opportunity to build links with local education providers presents an excellent chance for employers to give something back to the community by engaging in careers advice for young people in schools, at the same time as upskilling their own workforce, improving levels of employee engagement and, ultimately, boosting their own productivity.

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