

## Encouraging enterprise in education

### Background

Encouraging entrepreneurship is viewed as an essential driver of economic growth and job creation across Europe, and the European Union (EU) has developed a comprehensive framework of policies, initiatives and financial support to help push this public policy imperative. The European Commission's *Entrepreneurship 2020 Action Plan*, for example, is 'a blueprint for decisive action to unleash Europe's entrepreneurial potential, to remove existing obstacles and to revolutionise the culture of entrepreneurship in Europe'.

Developing a supportive framework to foster youth entrepreneurship is regarded as a particular priority, and EU activities include:

- *Erasmus for Young Entrepreneurs* (a cross-border exchange programme for young entrepreneurs where they have the chance to stay with, and learn from, a host entrepreneur)
- the Small Business Act, which includes measures for young people such as a proposed target for member states to integrate entrepreneurship into secondary school curricula as a key competence by 2018 and plans to upscale the *Erasmus* programme from the 2,000 new businesses already created
- the Youth Guarantee (aspects of which encourage pathways to self-employment).

Aside from the contribution that youth enterprise could make to easing youth unemployment in Europe, another good reason for targeting action on this section of society is to tap into many young people's positive attitudes towards entrepreneurship. The Commission's 2012 *Flash Eurobarometer on Entrepreneurship* shows that younger people are more drawn to self-employment in the EU: 45% of 15–24-year-olds say they would prefer to be self-employed compared with 35–37% of people in the three older age groups. This finding is backed up by the CIPD's own research. In 2013 we surveyed

more than 2,000 employees on their views on entrepreneurship and, although 18–24-year-olds were the age group least likely to have set up their own business, they were the most likely to have considered it as an option.

This briefing examines the policy issues concerned with boosting the provision of enterprise education in the UK and Europe. It draws on the CIPD's research series *Entrepreneurs: What can we learn from them?* including the report *Inspiring Youth Enterprise*. The latter study provides practical experiences of young entrepreneurs and case studies showing how some UK education providers are embracing the challenge of integrating entrepreneurial learning in education and training.

### Targeted action to help key groups

The European Commission's Action Plan for Entrepreneurship recognises that different demographic groups, including women, older people, migrants and youth, require tailored policy and support mechanisms to overcome the specific barriers they face to unlock their entrepreneurial potential. In the case of youth entrepreneurship, young people can encounter a range of challenges such as an absence of work experience opportunities, limited access to finance and a lack of skills and mentoring.

Another obstacle is the too-frequent failure of education and training systems to provide a strong foundation to support young people's entrepreneurial spirit and ambitions. There is plenty of evidence that demonstrates the difficult transitions from education to work across most European countries, so expecting a climate where young people have the knowledge and confidence to start their own business is an even greater leap.

Not every young person has the desire – or the necessary latent talent – to set up a business. Further, increasing the number of start-ups

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created by young people will not solve the huge problem of youth unemployment across much of Europe. But youth entrepreneurship has an important role to play in Europe's recovery. Further, encouraging young people to be more creative and entrepreneurial is not just about producing more start-ups: innovation and enterprising behaviour are important elements in any modern business and/or employment setting. Improving the provision of enterprise education in schools and further education is a precursor to changing society's attitudes to entrepreneurship and encouraging the next generation of entrepreneurs. Action on this front alone will not produce a sustainable foundation to support youth entrepreneurship because many of the factors and barriers influencing entrepreneurial success among this demographic group are interrelated, but it is an important first step.

#### The impact of enterprise education

There is some debate about the extent to which entrepreneurship can be 'taught' within national education systems. The key question is, how can education and training provide the right climate and opportunities to encourage entrepreneurship skills, behaviour and outcomes so that setting up a business becomes a natural choice for young people with entrepreneurial potential?

The evidence indicates that there is clearly some correlation between the provision of entrepreneurial learning and future entrepreneurial behaviour. The 2012 *Flash Eurobarometer on Entrepreneurship* measured Europeans' experience of, and attitudes towards, enterprise education. The results revealed some mixed outcomes, with people's perceived learning about entrepreneurship sometimes exceeding their direct experience of formal enterprise education. While under a quarter (23%) of EU respondents had taken part in a course or activity about entrepreneurship, half (50%) agreed that their school education helped them to develop a sense of initiative and a 'sort of' entrepreneurial attitude.

Almost half (47%) said that their school education helped them to better understand the role of entrepreneurs in society, but just 28% agreed that their school education made them interested in becoming an entrepreneur. The last

two findings are not necessarily contradictory – it is encouraging that almost half of the sample felt that they had gained an understanding of entrepreneurship as part of their formal education, if only to discover that setting up their own business was not for them.

The Commission's *Entrepreneurship 2020 Action Plan* points to research indicating that between 15% and 20% of students who participated in entrepreneurial activity in secondary school will later start their own company – a percentage that is more than three times greater than that of the general population.

#### Levels of intervention

The focus should be on determining the best ways that entrepreneurship learning can be incorporated within the different levels and type of education provision. The 2012 *Policy Brief on Youth Entrepreneurship* by the Commission and the OECD, for example, points out:

- At **primary level**, enterprise education should increase awareness of entrepreneurship as a career option and develop the knowledge, skills and attitudes that are conducive to entrepreneurial behaviour – for example, through classroom events involving local entrepreneurs and by visits learning about the day-to-day operations of small businesses.
- In **secondary school**, enterprise education should focus more on the delivery of specific technical skills using mini-companies and activities involving active learning and real-life situations.
- At **university**, students should gain the basic skills for starting and operating a business. Traditional approaches have been to create entrepreneurship schools at universities or to integrate entrepreneurship within subject teaching, but there is an increasing trend to adopt multidisciplinary approaches such as the University of Sheffield's 'Making It Happen' programme in the UK. The multidisciplinary module teaches enterprise, entrepreneurship and innovation through online classes, networking events and group-run start-up enterprises.
- The role of entrepreneurship education in **vocational training** should move beyond the emphasis on business plans and ensure that students get 'real-world' knowledge. This could involve a separate school for owner-

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managers outside of vocational schools or a more evolutionary model that provides more opportunities for entrepreneurship in the curricula together with new guidance and training for teachers and more effective engagement with entrepreneurs.

- Entrepreneurship skills can be developed from a young age **outside of the education system** – governments can partner with community and business organisations to bring students out of schools and into business, providing students with first-hand experience of the day-to-day operations of small firms.

#### Enterprise education in the EU

Entrepreneurial education and training is the first of the three pillars on which the Commission's *Entrepreneurship 2020 Action Plan* is built. The plan notes that a number of member states have successfully introduced national strategies for entrepreneurship education or made entrepreneurial learning a mandatory part of the curricula – but more is needed. It calls for this aspect of education to be 'brought to life' through practical experiential learning models and experience of real-life entrepreneurs.

A recent conference on 'Supporting Start-ups to Create Growth and Employment' organised by the European Economic and Social Committee (Section for Employment, Social Affairs and Citizenship – Labour Market Observatory) emphasised the importance of exposure to entrepreneurship from an early age and the impact that entrepreneurial role models can have on young people. The discussion also highlighted the value of experiential learning – whereby people learn directly from their own experience – and the opportunity for young people to participate in practical projects and activities to gain real-life experience of entrepreneurship.

As part of its strategy to make universities more entrepreneurial, the Commission has collaborated with the OECD to develop a framework for entrepreneurial universities to help them improve their capability with tailor-made learning modules. In addition to a number of EU-wide actions that the Commission commits to implementing to foster enterprise education, member states are encouraged to:

- embed entrepreneurship into curricula across primary, secondary, vocational, higher and adult education
- provide young people with the opportunity to have at least one practical entrepreneurial experience before leaving compulsory education, for example running a mini-company or an entrepreneurial project for a company
- use the European Social Fund to boost entrepreneurial training for young people and adults in education in line with national job plans.

#### CIPD Learning to Work

The CIPD, through its Learning to Work programme in the UK, is strongly focused on tackling the problem of youth unemployment through achieving a shift in employer engagement with young people. Learning to Work promotes the business case for employer investment in young people and encourages organisations to offer a wide range of access routes, such as Apprenticeships. It is also supportive of helping young people to realise their entrepreneurial potential in a way that benefits both themselves and the economy.

In May 2014 we published research emphasising the importance of experiential learning to encourage youth entrepreneurship. It also showcases some of the great enterprise education already being offered by some UK educational providers who are breaking away from the traditional models. We aim to encourage more of this activity.

City College Plymouth maintains close working relationships with local schools and offers practical project working with learning companies

## City College Plymouth

City College Plymouth, a UK further education college, is part of the Gazelle Group ([www.thegazellegroup.com](http://www.thegazellegroup.com)). Gazelle believes that developing entrepreneurial attributes throughout education is the most important step any society can take to support youth employment and promote economic growth and social value. It is working with college and business leaders to position colleges as a shared resource and focal point for building tomorrow's workforce in partnership with local employers and community stakeholders.

Stimulating and supporting entrepreneurship is based on experiential and self-directed learning, personal mentoring by small business owners and a national network of successful entrepreneurs. City College Plymouth therefore works in partnership with local businesses to inform student development activities. This collaborative approach means stakeholders learn from each other. It helps to stimulate innovative business ideas as well as personal motivation, confidence-building and invaluable networks for the students themselves.

To support and engage teaching staff and college managers to respond to these different ways of helping students to learn, City College Plymouth has introduced a leadership and development programme. The college has held workshops to develop projects that help the entrepreneurial college to be more enterprising itself as well as to pass on practical learning to the students about being entrepreneurs. This creates a 'win/win' business model which feeds in expertise from other in-house functional experts involved in running the college, such as finance, human resourcing and marketing.

City College Plymouth maintains close working relationships with local schools and offers practical project working with learning companies. This helps to inspire children and young people from NEET (not in education, employment or training) groups who don't see themselves as having a future through the normal academic route.

University of the Arts London has a strong emphasis on enterprise because they have a very entrepreneurial student body

## University of the Arts London

University of the Arts London (UAL) is Europe's largest specialist arts and design university. It has a well-established Student Enterprise and Employability (SEE) department, offering student advice, support, events, workshops, information and resources all around professional practice, employment, employability and careers. The university has a strong emphasis on enterprise because they have a very entrepreneurial student body, with a high proportion of graduates going on to set up their own business or work in a freelance capacity – the university's own data suggests 20% are actually in this category six months after graduation.

The SEE department runs over 130 events each year, including a five-day event that includes workshops, seminars and sessions on topics such as how to write a business plan, how to manage your finances, how to promote yourself professionally online and how to set up a social enterprise.

SEE has created an engaging website with practical resources and information. It also runs a programme of awards for students and graduates, including:

- Seed Fund – run four times a year for students and graduates of up to two years who have a business idea or something that they have already developed as an enterprise. Applicants have to submit a business plan with financial projections. If successful, they receive a £5,000 grant and are given a business mentor as well as intellectual property and legal advice. UAL then monitors their journey over a 12-month period.
- The 'More than Profit' programme with Unlimited – students again can apply for up to £5,000 to take their social business idea forward. The intention is to create a pipeline of socially engaged individuals who will take forward social enterprise ideas.

[www.arts.ac.uk/student-jobs-and-careers/about-see/](http://www.arts.ac.uk/student-jobs-and-careers/about-see/)

Young Enterprise's pioneering start-up scheme to help university students launch their own business boomed as the economic downturn triggered a surge towards graduate self-employment

## Young Enterprise

Sir Walter Salomon founded Young Enterprise in 1962 to help young people in the UK develop the skills and knowledge needed to take charge of their own lives and succeed in business and enterprise. Since then 1 million 15–19-year-olds have taken part in the charity's flagship company programme. The charity delivers practical, activity-based enterprise programmes in schools, colleges and universities, led by business volunteers who act as mentors.

Young Enterprise's pioneering start-up scheme to help university students launch their own business boomed as the economic downturn triggered a surge towards graduate self-employment. In 2013, Young Enterprise launched the Tenner programme, a competition that challenges young teenagers to take a £10 loan, do something enterprising, make a difference and give it back. Evaluation research by Kingston University Business School shows that Young Enterprise alumni are almost twice as likely to end up running their own firm as their peers.

The research proves that exposing young people to enterprise education in schools, colleges and universities gives Britain far more entrepreneurs than it would otherwise have had. It shows that Young Enterprise unlocked the entrepreneurial creativity of many young people from modest provincial backgrounds that could otherwise have remained undiscovered. For example, David Lammy (a UK Member of Parliament) was born in deprived Tottenham, London, one of five children raised by a single mother. He attended a state-funded school. He said Young Enterprise inspired him to be a leader and he subsequently became an Education Minister and a rising political star.

Enterprise education should not be about one-off quick-fixes but should incorporate longer-term and sustained interventions

### Policy recommendations

There are many other leading-edge education providers and expert bodies helping to foster the next generation of young entrepreneurs and helping to bridge the gap between education, employment and enterprise in the UK. However, there is still more action needed to improve the provision of enterprise education in the UK and Europe and work continues on this front. The European Economic and Social Committee (Section for Employment, Social Affairs and Citizenship), for example, is currently working on an own-initiative Opinion, *Fostering Creativity, Entrepreneurship and Mobility in Education and Training*, which should also progress thinking and activity in this area.

This briefing highlights some great examples of entrepreneurship learning in the UK post-16 education sector, but enterprise education needs to be embedded into young people's learning from an even earlier age, across primary and secondary education. The European Commission's *Entrepreneurship 2020 Action Plan* encourages member states to take this approach, and urges them to provide young people with the opportunity to have at least one practical entrepreneurial experience before leaving compulsory education.

The CIPD also calls for broader policy actions to foster enterprise education in the UK (most of which are applicable at an EU level), including:

- Enterprise education should be featured as an option for secondary school children and should form part of a broader effort to improve the quality and breadth of careers advice and guidance available in schools.
- Entrepreneurship is included in the national curricula for vocational training in the majority of European countries (according to the Commission's *Entrepreneurship in Vocational Education and Training, final report of the expert group*), but more work is needed to fill the gap in the 'intensity and effectiveness' of these programmes – including improving teaching methods, increasing student participation, involving business people and ensuring there is a practical element of entrepreneurship.
- Enterprise education should not be about one-off quick-fixes but should incorporate longer-term and sustained interventions that support the development of key technical skills (such as business planning) and 'softer' competencies (such as personal resilience, autonomy and confidence).

Information and advice about enterprise should be made available to careers advisers so that they can educate young people about the different future options available to them

- A more enlightened approach to fostering economic independence for young people would be to have an integrated approach to education and work. This would help to support the development of business know-how, personal resilience and the ability to spring back from failures and setbacks along the way and to manage risk. For instance, good practice examples in this area include elective enterprise modules offered by many universities that can be combined with other degree subjects and placement opportunities for students to do projects with start-ups and SMEs (see [www.enternships.com](http://www.enternships.com) as one example).
- Information and advice about enterprise should be made available to careers advisers so that they can educate young people about the different future options available to them. Guidance could be given to heads of schools and post-16 education providers to help them encourage more entrepreneurial options.
- Good enterprise education should also incorporate information and advice for parents about the value of enterprise for the future success of their children and how they can go about supporting them through this journey. Accessible material about enterprise activity could be made available in schools and head teachers could be encouraged to hold parents' evenings exploring different vocational and entrepreneurial career options.
- Finally, the opportunity to hear from industry panels, mentors and real-life career and business stories all help to bring enterprise to life for young people and generate achievable aspirations. Representatives from across all sectors and professions should be encouraged to use existing channels to connect with schools to drive up aspirations from a young age. In the UK, the CIPD's Inspiring the Future initiative enables volunteers to be matched with local state secondary schools and colleges to help open students' eyes to the range of options available, via careers insight talks. Find out more at [www.inspiringthefuture.org](http://www.inspiringthefuture.org)

Further information

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## About the CIPD

The CIPD is the professional body for HR and people development. We are the voice of a worldwide community of more than 135,000 members committed to **championing better work and working lives**.

### Public policy at the CIPD

The Public Policy team at the CIPD exists to inform and shape government policy for the benefit of employees and employers, to improve good practice in the workplace and to represent our members at the highest level.

We bring together extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership base, to engage with politicians, civil servants, policy-makers and commentators in the UK and across Europe.

### The CIPD in Europe

We use our substantial research, membership base and partnerships to produce EU-wide policy position statements on employment and diversity issues across Europe. Our areas of expertise include labour market forecasting, employee relations, gender equality, the ageing workforce, youth employment, pensions, labour mobility, human capital management and skills. We produce comprehensive research across the world of work to ensure that employers and employees can benefit from better workplace and workforce policy and legislation throughout Europe.

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