



Getting young people 'work ready'

Our vision for how education should prepare young people for the modern world

June 2019

People and Skills

The CBI is the UK’s leading business organisation, speaking for some 190,000 businesses that together employ around a third of the UK’s private sector workforce. We represent businesses of all sizes from all sectors from across the UK.

Education and skills are consistently at the top of the domestic priorities list for our members, and the organisations the CBI represents, including over 70 universities, over 30 colleges, the Confederation of School Trusts and the Independent Schools Council.

Contents

Foreword	4
Chapters	
1. Getting our education system right has never been more important	6
2. Progress has been made to date in preparing young people to be work ready	14
3. What needs to happen now?	22
- A renewed focus on character is needed to navigate the jobs of the future	22
- A knowledge-rich curriculum is a central component to getting young people work ready	26
- The development of essential skills are vital for success in the modern world	29
4. But there remain challenges ahead in getting young people work ready	32
- The school curriculum needs modernising	32
- Impartial careers advice is needed to prepare young people for all options post-16	35
- It is time to rethink our qualifications including the role of GCSEs	36
- Business must be at the heart of the education system and supporting young people	38
Summary of findings	42
Recommendations	44
References	46

Foreword

There is a lot more to education than just making young people work ready. Education is about preparing young people for the modern world and balancing the scales of social justice, ensuring where a young person starts doesn't define where they end up. This is especially the case for those who face additional disadvantages or those with special educational needs.

Part of being prepared for the modern world is being prepared for the modern workplace. This means every young person should have the opportunity to experience a broad, balanced and rigorous curriculum that equips them with a wealth of knowledge, the ability to apply this knowledge and the chance to develop the character needed to seize the opportunities our society offers.

Achieving this isn't something we should expect the education system to do alone, but rather consider it a shared responsibility between parents, schools, teachers, and employers. Business must play its part by helping to shape the education system, offer work experience, and articulate the knowledge, skills, and character they are looking for in the modern workforce. An articulation that will often be different depending on the sector, size, and region in which that business operates.

This report is an important contribution to that discussion and begins with a reality check - young people don't feel prepared for the workplace, employers don't feel young people are work ready, and teachers and parents do not know what framework or programme of 'employability skills' is best.

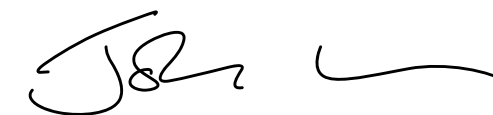
It is more important than ever to be having this conversation. The world of work is rapidly changing which means schools, society, and business need to work together to make sure our education system can keep up.

Whether it's rapid globalisation and soaring life expectancy, the huge strides forward we've made in technology or the proven power of diversity that makes businesses stronger and our society fairer, education is an essential part of ensuring our future prosperity.

As well as an important contribution to the discussion, this report puts forward recommendations for how we can address these challenges. These recommendations build on the important work of the Wolf Review, the Sainsbury Review, and the government's Careers Strategy, each of which moved the debate forward in the right direction. These recommendations include:

- Rethinking the role and form of GCSEs in an education and training system that goes to 18, rather than 16;
- Looking carefully at the English Baccalaureate to ensure it fully encompasses a 'broad and balanced' curriculum, especially when it comes to creativity;
- Starting with the SkillsBuilder framework, we should develop a shared understanding of what 'character' really means, creating a similar consensus to the Gatsby Benchmarks on careers advice; and
- Joining up the 'offer' and support government, employers, and educators make to young people, including the joining up of the Careers Strategy and Youth Charter

Thank you to the CBI education and skills team for bringing this evidence and insight together.



John Cope
Head of Education & Skills, CBI



Getting our education system right has never been more important...

The world of work is changing. Where work was once tangible and tied to a specific place, it is now increasingly conceptual, mobile, and global. The workplace itself is also beginning to look very different, with automation, machine learning, and artificial intelligence set to impact all of us in the years ahead. For example, young people today can expect to be in work over a decade longer than their parents.

In the context of these technological advancements, we have an economy which increasingly values qualities such as creativity and resilience. This has profound implications for how we prepare young people for the modern world.

Work readiness should form a key part of the education system...

Government, educational institutions, and employers must work together to ensure young people are leaving education prepared for the modern world. This report is part of the CBI's contribution to that partnership.

Education is intrinsically a social good on its own and supports the development of a spirit of enquiry, a lifelong joy of knowledge for knowledge's sake, alongside enabling young people to realise their talents and passions through careers. However, we must acknowledge a key role of the education system is adequately preparing them for the world of work. This is especially important for pupils facing disadvantage, who on average are 18.4 months behind their wealthier peers by the time they sit their GCSEs.¹ Education is an essential part of balancing the scales of fairness and social justice and raising the bar for everyone.

To prepare young people for the modern world, the power of business must be harnessed...

The CBI 2018 Education and Skills annual report, *Educating for the Modern World*,² which represents 28,000 employers, found 44% felt young people leaving school, college or university were not work ready.

The Department for Education's *Employer Perspectives Survey 2018*³ had similar findings in England, with perceptions of 'work readiness' in 18-year olds declining to 58% in 2016, down from 60% in 2014. Similarly, for those leaving further education settings, while higher than for school leavers, perceptions of work readiness fell to 68% in 2016 from 72% in 2014.

This is not a new issue. In 2007, the CBI published a 7-point employability framework⁴ and defined employability as 'a set of attributes, skills and knowledge that all labour market participants should possess to ensure they have the capability of being effective in the workplace'. These attributes are: self-management, team working, problem-solving, application of IT, communication and literacy, application of numeracy, business and customer awareness.

In 2012, the CBI published *First Steps*,⁵ which included a section on how schools should develop 'compelling individuals', citing 'core subjects' like Maths, English, Science, alongside 'enabling subjects' like Languages, Humanities and technical subjects with 'personal qualities and attributes' like values, characteristics and behaviours. Some of the characteristics, values and habits highlighted in the report include grit, curiosity, enthusiasm and humility.

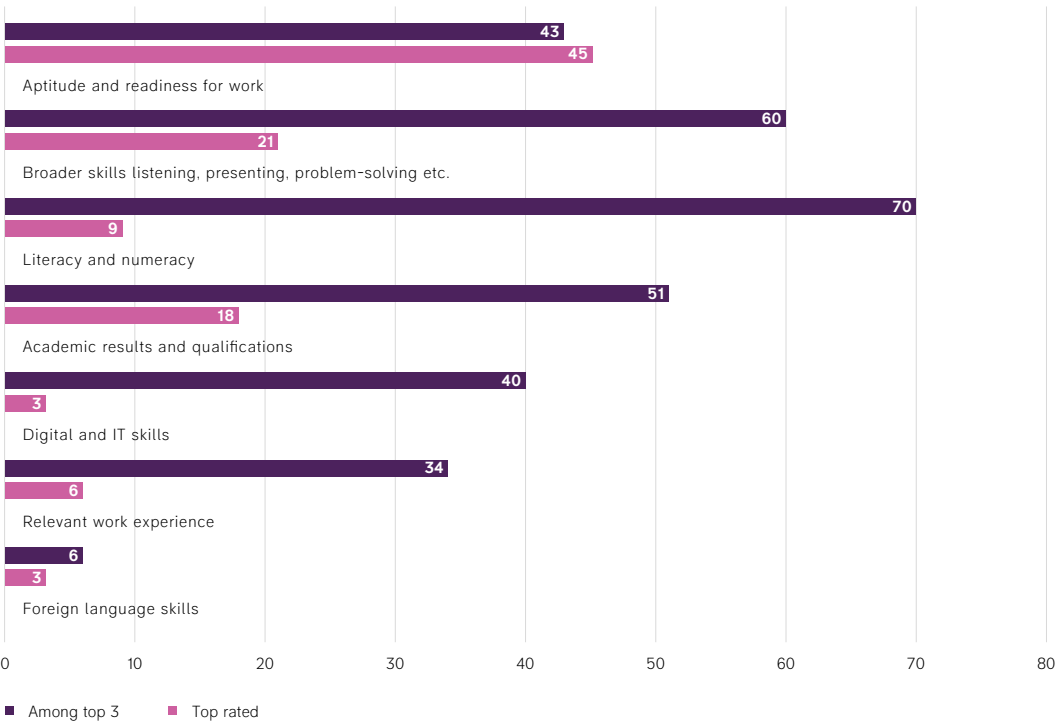
The CBI's report *Unlocking Regional Growth*⁶ also showed educational attainment, at age 16 is the biggest driver of variation in regional productivity and economic performance. Meaningful interactions between young people and business are hugely important for getting young people prepared for work, with four engagements with businesses at school leading a young person to be 5 times less likely to be unemployed as an adult.⁷

However, access to employer interventions like work experience is hugely variable across the UK, with half of young people aged 14-25 saying they have not participated in any work experience.⁸ Under-attainment at this age can have long term repercussions for local economies and pose challenges for employers seeking to hire local talent. Given this relationship, business has an important role in supporting the education system.

What do businesses mean by young people being 'work ready'?

The CBI annual education and skills survey found most employers (45%) ranked aptitude and readiness for work as the most important factor they consider when recruiting school and college leavers. Additionally, 60% employers also said they rate broader skills such as resilience, communication, and problem-solving among their top 3 priorities when recruiting.⁹ This is alongside the importance of high levels of literacy, numeracy, and a rigorous academic foundation.

Exhibit 1 Most important factors in recruiting school/college leavers (%)



However, to be 'work ready' is to an extent subjective. Business, government, and schools must therefore work together to better understand how young people can be best prepared for the modern world and move towards an agreed common language and consensus on what it means to be 'work ready'.

What do young people think about 'work readiness'?

Recent research conducted by the CBI, Accenture, and Hays¹⁰ found that almost 1 in 4 young people (aged 17-23) do not feel adequately prepared by their education for the world of work. The survey also found:

- Over half (55%) of young people have undertaken a work placement at school or college and just over one-fifth (22%) had visits from businesses to their school;
- Almost half (49%) expect to hold three to five jobs in their lifetime, and;
- When asked about new technologies (e.g. Artificial intelligence, automation of jobs or professions), and how these will affect their future career, 44% said they were intrigued, 26% optimistic and 22% said they were excited.

In addition, the 2019 Youth Census found 50% young people are 'quite confident' or 'very confident' that they will move into meaningful work, but only 31% think employers are 'supportive' or 'very supportive' of hiring young people.¹¹

The earlier students interact with employers – whether that's work experience, internships or school visits – the more likely they feel prepared for work. Poor access to these opportunities has a huge impact for business and young people alike. For employers, this could mean a loss of talent and missed opportunities to recruit a diverse and inclusive workforce. For young people, this could mean losing out on fulfilling future careers and prospects.

How do teachers feel about work 'readiness'?

A recent teacher's survey carried out by Education and Employers¹² found that 92% respondents felt that communication and problem-solving skills were developed mainly through class work. However, on average 47% teachers felt that there were fewer opportunities to develop employability skills and competencies due to changes in GCSEs and A-Levels, citing a new focus on rote learning as a detriment to developing the skills and attitudes needed for work.



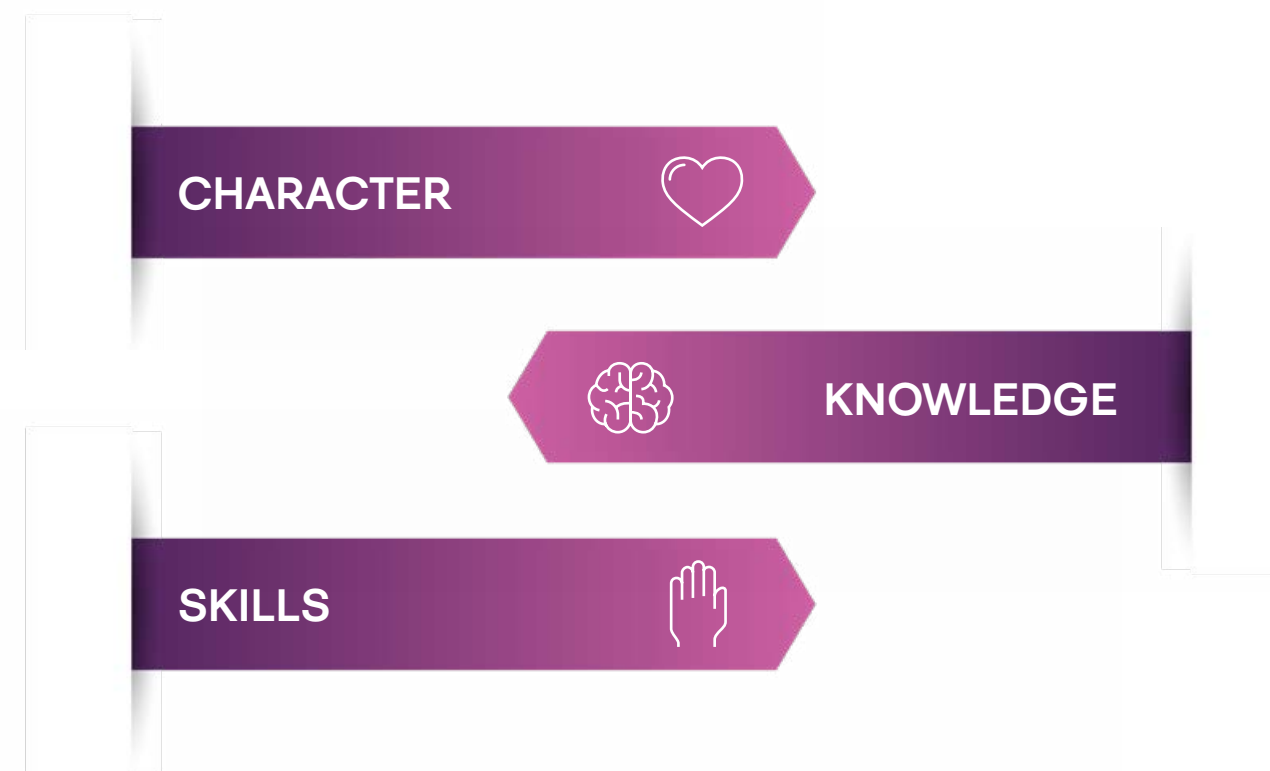
Being work ready means a rounded education that includes character, skills and knowledge

Employers are keen to co-create a solution that works for schools and employers. The first step in achieving this is establishing a common language, acknowledging that the definition of 'work readiness' is hard to pin down, often disputed and one that requires nuance.

Soft skills, essential skills, employability skills, transferable skills, 21st century skills, interpersonal skills, life skills and character education, are just some of the interchangeable but not identical ways of describing what it means to be 'work ready'.

As well as these descriptions and interpretations, there has been a plethora of frameworks and definitions on 'work readiness', and some typologies will resonate with schools and employers more than others (SkillsBuilder (2018); Education and Employers (2018); Barclays LifeSkills (2013); CBI 7-point employability framework (2007); Fettes et al. (2018)). Each is evidence-based and well-tested, with huge impacts on the life chances of young people.

This report will not attempt to set out a single definition of 'work readiness' or a framework of what educational institutions should work towards, but instead seek to drive consensus. Working with CBI members and wider stakeholders, we have identified three pillars that bridge the various descriptions and frameworks designed to prepare young people for the modern world and getting them 'work ready':



1. 'Character' – individual traits and strengths that enable someone to flourish at all stages of their lives.

- Character enables young people to deal with set-backs at work, reflect on personal strengths and areas for improvement during performance reviews, and show an inclusive and compassionate outlook on themselves and others.



2. 'Knowledge' – a rigorous, rich, and stretching curriculum, with each subject or domain studied given high status and an equal emphasis.

- This looks like young people having the essential knowledge needed to be educated citizens, introducing them to the best and most powerful knowledge within subject disciplines and helping them to have an appreciation of human creativity and achievement.



3. 'Skills' – the application of knowledge and character in real world scenarios through team work, leadership, problem-solving and communication.

- This looks like the application of both character and knowledge, working successfully with colleagues, public speaking and presenting.



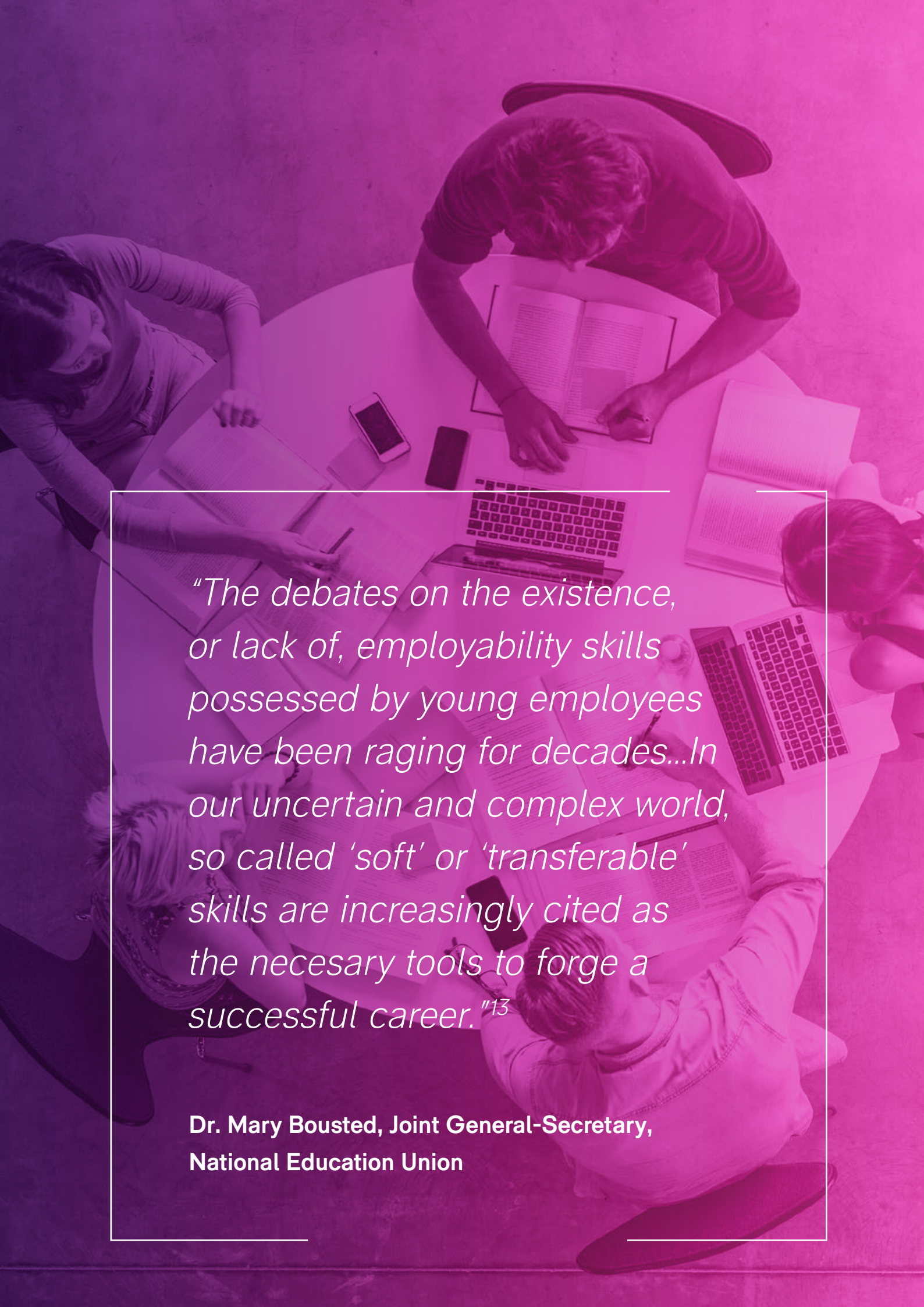
All three pillars are essential and are interconnected.

- Character helps young people to take responsibility for their own learning and make responsible choices in different situations.
- Knowledge enables young people to gain mastery and subject-specific awareness in a variety of disciplines to support future career choices and interests.
- Developing skills like leadership or creativity helps young people nurture their individual character traits, values and principles like empathy and self-awareness.

Each on their own does not prepare a young person for the modern world.

Knowledge is not maximised if you cannot apply it in the real world, nor are equipped with the character necessary to use your knowledge. In a similar vein, an over emphasis on just skills or character is misguided as skills are often knowledge specific, with creativity meaning something very different in mathematics to for example, modern foreign languages.

Taken together, these three pillars are what it means to be 'work ready'. A 'broad and balanced' curriculum, should therefore give equal weight to all three pillars above.



"The debates on the existence, or lack of, employability skills possessed by young employees have been raging for decades...In our uncertain and complex world, so called 'soft' or 'transferable' skills are increasingly cited as the necessary tools to forge a successful career."¹³

**Dr. Mary Bousted, Joint General-Secretary,
National Education Union**

Progress has been made to date in preparing young people to be work ready

It is important to note that we are not starting from scratch when it comes to ensuring that young people are prepared for the modern world. Progress which has been made to date includes:

Education and Skills Act (2008)

Implementing a key recommendation from the Leitch Review, the Education and Skills Act raised the age young people stay in education or training to 18 and introduced duties on employers to release young people for the equivalent of one day a week to undertake external training elsewhere.

The Wolf Report (2011)

This review of vocational qualifications called for a shake-up of vocational education in England. The report recommended all pupils should study core academic subjects until 16 and some qualifications should no longer be included in school league tables. The report stated that some 350,000 qualifications had little or no benefit for pupils and also called for more high-quality apprenticeships.

Introduction of the English Baccalaureate or 'EBacc' (2010)

The EBacc followed recommendations from the report "Core Business" by the think tank Reform and were based on the Russell Group's 'Facilitating Subjects'.¹⁴ The EBacc measures schools according to how many pupils take 5 key subjects seen by universities as broadening access to a wide variety of university courses and is designed to broaden the minimum offering for all pupils. Those included are: Maths, English, Science, a language and a humanities subject.



Launch of Barclays LifeSkills (2013)

LifeSkills helps address the skills gap and youth unemployment challenge and enables young people to leave education with the skills that businesses need. It is a free, curriculum-linked resource for young people and schools who aims to inspire, educate and empower young people by giving them access to employability skills and work experience opportunities to support their transition from school to work. Areas of focus include resilience, problem-solving, creativity and communication.

Introduction of the Pupil Premium (2011)

Schools are given additional funding for each pupil who faces disadvantage to help close the attainment gap. This can be spent on things like educational trips and visits and music lessons, helping to nurture character and give disadvantaged young people the opportunity to have the real-world experiences and life changing interactions with employers.

When launched in 2011, it totalled £623 million (£430 per eligible pupil). By 2017, the total funding pot had grown to £2,412 million, which includes £1,320 for each eligible pupil at primary school and £935 for each eligible pupil at secondary school. The Pupil Premium has been guaranteed in cash terms by the current government to 2022.

In 2018-19, just over one million (23%) primary school pupils in England were eligible for Pupil Premium funding; in secondary schools there were 802,545 (35%) Pupil Premium-eligible pupils.

The Pupil Premium represents a considerable amount of discretionary funding for most schools. The average value per school in 2018-19 is:

- Primary school = £78,254
- Secondary school = £171,322¹⁵



Launch of the #iwill campaign (2013)

The #iwill campaign for youth social action was launched in 2013. The campaign's vision is for all young people to have the chance to take part in meaningful experiences such as volunteering, fundraising and campaigning which benefits the young person and their communities.

By giving young people the chance to take part in social action and voluntary work, they have opportunities to develop early leadership skills and learn quickly to take responsibility for making a difference. This is good for employers – a CIPD survey in 2015 reported that 67% of employers say candidates with social action demonstrate better employability skills.¹⁶ And in 2016, a survey of young people revealed that 81% of those participating in meaningful social action believe it will help them get a job in the future.¹⁷

But there's a stark and persistent socio-economic gap in participation, with those from the least affluent backgrounds significantly less likely to participate than their peers from the wealthiest backgrounds.

"At Bolton School we make it our goal to ensure our school-leavers are ready for the next stage of life, be that work, an apprenticeship or Higher Education. We build resilience, self-efficacy and an awareness of the importance of making a positive contribution to society through a wide range of extra-curricular activities, including the Duke of Edinburgh qualification, voluntary work in the community, and charitable fund-raising. Participation in drama, debating and public speaking encourages our pupils to present themselves and communicate confidently. Sport, outdoor pursuits and music help them develop and value team-working skills."

Sue Hincks, Headmistress of Bolton School Girls' Division

Philip Britton, Headmaster of Bolton School Boys' Division

"The world of business has always been clear that whilst academic achievements can help get young people through the door, it is their strength of character that helps them lead happy and successful lives. Employers know that youth social action not only helps young people shape their sense of purpose, their skills, aspirations, networks, as well as improve their mental health & wellbeing, but it also leaves a positive impact in the communities they help. We must make ensure these opportunities are accessible for all."

Charlotte Hill, CEO, Step up to Serve



Implementation of the Gatsby benchmarks (2015)

The eight Gatsby Benchmarks developed by the Gatsby Foundation are providing schools and colleges with the building blocks for an effective school careers programme. The Careers and Enterprise Company are connecting schools and colleges with employers across England to support their implementation.

Benchmark	Description
1. A stable careers programme	Every school and college should have an embedded programme of career education and guidance that is known and understood by pupils, parents, teachers and employers.
2. Learning from career and labour market information	Every pupil, and their parents, should have access to good-quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information.
3. Addressing the needs of each pupil	Pupils have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each pupil. A school's careers programme should embed equality and diversity considerations throughout.
4. Linking curriculum learning to careers	All teachers should link curriculum learning with careers. For example, STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths.
5. Encounters with employers and employees	Every pupil should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise schemes.
6. Experiences of workplaces	Every pupil should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities and expand their networks.
7. Encounters with further and higher education	All pupils should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace.
8. Personal guidance	Every pupil should have opportunities for guidance interviews with a careers adviser, who could be internal (a member of school staff) or external, provided they are trained to an appropriate level. These should be available whenever significant study or career choices are being made. They should be expected for all pupils but should be timed to meet their individual needs.



Introduction of the Baker Clause (2017)

The Baker Clause made it compulsory for schools and colleges to inform students about technical options post- 16. However, many have called for the clause to be better enforced.

"This timely report captures the important balance that our education system needs to strike to set up every child and young person to thrive in the rest of their lives. Through the work of more than 700 schools, colleges, employers and providers across the country, the SkillsBuilder Partnership shows that it is possible for everyone to build their essential skills. Essential skills in the SkillsBuilder Framework like teamwork, leadership, presenting and creativity are a fundamental pillar for our young people's future success. We need to have the clear ambition in our education system that every young person can achieve a high level of competence in them. And then we can use this common vision together with a shared language and outcomes to multiply our collective efforts."

Tom Ravenscroft, Founder, SkillsBuilder Framework

Launch of the SkillsBuilder Framework (2018)

The SkillsBuilder Framework focuses on supporting progress in eight essential skills, by breaking each down into 15 teachable steps which span from early childhood through into employment. These provide clarity, an approach to assessing progress, and a road map for further development. It was developed over 4 years by a cross-sector group of sixty organisations and used with over 250,000 individuals. It is already being used by more than 500 schools and colleges, 130 employers and 50 providers and has been adopted as their definition of employability skills by the Careers & Enterprise Company.

BBC Bitesize Careers website launch (2018)

BBC Bitesize now offers young people access to guidance and information about future career paths, and skills for work like 'how to strike the right tone in the workplace', 'how to take the initiative' and getting young people to understand what transferrable skills they have.

Other initiatives like **Debate Mate Schools** teaches key skills to tackle educational disadvantage by running extra-curricular debate workshops in schools with an above average percentage of children eligible for free school meals. Debating improves speaking and listening, higher-order thinking skills and confidence, teamwork and leadership. They also run on-boarding training for apprentices and existing employees to develop debating skills.

"The skills that Debate Mate teaches are critical not just for success in school, but for life beyond it."

With the onset of automation, the fundamental human skills of teamwork, leadership, communication, alongside character traits like empathy, resilience and confidence are and will continue to be at a premium.

In an increasingly data dominated world, those employees that can take their companies from good to great are those who can communicate large amounts of complex data in a simple and accessible way, ensuring that humans control the data and not the other way around.

When these skills are combined with a curiosity in, and engagement with, the world around you, it creates resilient, work-ready individuals eager to face and solve society's challenges.

The challenges are real, and with genuine discourse and debate being replaced with ad hominem attacks and Twitter spats, the need for Debate Mate has never been so acute."

Margaret McCabe, CEO, Debate Mate

Government announcements on character education (2019)

Earlier this year, the Secretary of State set out 'Five Foundations' for character education: Sport; Creativity; Performing; Volunteering & Membership and the World of Work.

The Department for Education has also said it will develop new 'benchmarks' for schools, providing a framework for senior leadership teams to implement character education in and outside the classroom. Alongside this, the Secretary of State has also announced an advisory group for developing 'character and resilience' in pupils made up of experts and leaders in the field and engaging with people from arts, sport and the voluntary sector. Initial recommendations are expected in September 2019.

What needs to happen now?

A renewed focus on character is needed to navigate the jobs of the future

Many of today's young people will be applying for jobs in the future that do not exist yet and estimates on the impacts of automation vary widely. For example, a report by Dell technologies estimates that around 85% of the jobs that today's learners will be doing in 2030 haven't been invented yet.¹⁸ The OECD estimates 14% of existing jobs are likely to be fully automated within the next 15-20 years¹⁹ and McKinsey suggest 60% of occupations will have a least 30% of tasks automated.²⁰

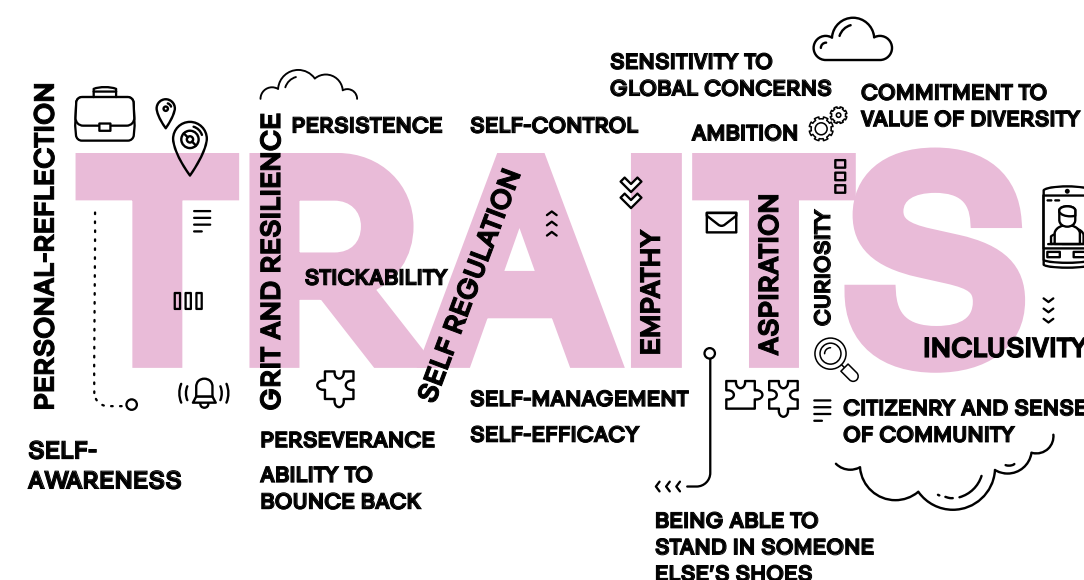
Technology, globalisation, and demographic shifts are rapidly changing the way we think about work and employers are placing increasing importance on character traits to ensure workforces can navigate the future with resilience.

But what businesses mean by 'character' can vary. Sometimes they are behaviours, sometimes character attributes. Businesses speak of a mind-set and a set of values which shape a young person's behaviour and decisions, and how they interact and work alongside others. These traits might be to some extent 'innate', but they can also be nurtured and developed throughout school, extra-curricular activities and work.²¹

The Secretary of State for Education recently defined character as:

- Believing that you can achieve;
- Being able to stick with the task in hand;
- Seeing a link between effort today and payback in the future, and;
- Being able to bounce back from the knocks that life inevitably brings to all of us.

From speaking to employers, there is also a growing consensus on the recognition of broad and positive character traits which employers' value in the workplace:



These attributes can be developed and promoted through a wide range of activities including sport, performance, creative activities, youth social action, and experience of the workplace.

A renewed focus on character has recently been recognised by the new Ofsted inspection framework which now includes a section dedicated to personal development:

“Developing pupils’ character which they define as a set of positive personal traits, dispositions and virtues that informs their motivation and guides their conduct so that they reflect wisely, learn eagerly, behave with integrity and cooperate consistently well with others. This gives pupils the qualities they need to flourish in our society.”

The Secretary of State is also keen to develop work that schools are already doing. Many schools across England are embedding the principles of building 'character'. Examples of school measures to incorporate character education include:

- A statement of vision and values;
- Immerse character development in the curriculum;
- Adopt a whole-school approach – staff, parents and governors; and
- Schools appointing lead practitioners for 'character'.

"By designing our curriculum around the development of character, we provide opportunity to pause and reflect on who we are becoming, who we want to be, and how we can take greater responsibility to identify a meaningful pathway through life. Our approach guides pupils to become active, high performing and engaged citizens, teaching them to show gratitude, compassion, integrity and resilience and taking responsibility for their action. We want our pupils to show good character whether they are employers or employees and find a purpose that is significant to them and of consequence to others."

"Pupils are exposed to authentic experiences with colleagues from the University of Birmingham, our corporate partners and members of our wider community, broadening their horizons and igniting sparks of interest in careers they didn't know existed. Through our 'Opening Horizons' series of lectures our Sixth formers have learnt about research in studies as diverse as nanotechnology and gravitational waves; and our year 9s have all taken part in the Duke of Edinburgh Award Scheme. Working with real experts and professionals raises aspirations, makes pupils feel valued and develops their future-mindedness."

Rebecca Tigue, Head of School, University of Birmingham School



"From the research we have conducted in recent years and the daily contact we have with employers across the UK, we know that the core skills of communication, flexibility and problem solving remain highly relevant in today's world of work. Even though younger generations will have different technical abilities to generations before them, core skills will remain vital."

"At Hays we are in a unique position to be able to see the positive impact that employers can have on young people, as we engage with around 15,000 UK businesses and 4,000 schools across the country."

"Businesses are fully aware that they need to create relationships which will help provide them with talent for the future and will welcome all the support they can get."

"We are very much behind the CBI's efforts and intend to continue our work in supporting schools we engage with across the UK."

Mark Staniland, Regional Managing Director of Hays London City and the Midland

A knowledge-rich curriculum is a central component to getting young people work ready

Alongside the development of character and skills, employers tell us that a knowledge-rich curriculum is a central component of getting young people work ready. Just over half (51%) of survey respondents to the most recent the CBI education and skills survey said academic results and qualifications were among their top 3 priorities when recruiting.²²

This is why the government's focus on rigour and high standards in curriculum is supported by employers. Alongside rigour, the importance of breadth of knowledge across a wide variety of subjects is desirable, and indeed necessary, to ensure business prosperity and competitiveness:

Languages are essential for a Global Britain

Our Education and Skills survey found that French (54%), German (51%) and Spanish (50%) were the languages most commonly cited as most in demand. All 3 languages have seen a year on year rise in employer demand since 2016. Research for UK Trade and Investment concluded that a lack of foreign language skills is costing the UK up to £48bn a year, or 3.5% of GDP.²³

Last year, the Department for Education announced a £4.8m investment in nine Modern Foreign Language Hubs across England with the University of York selected as a centre for excellence. The hubs will work with schools to help more young people learn foreign languages. The university will coordinate the work of the nine hubs and share best practice to boost teaching in French, Spanish and German.²⁴

Digital skills needs are set to grow

The CBI's latest digital skills survey shows that 95% of business expect their digital skills needs to grow.²⁵ Our education and skills survey also found 66% employers think digital skills should be a top priority for secondary schools, and 72% said the same for primary schools.

Creativity is essential for future innovation

UK jobs in the creative industries are expected to grow by 5.3% and double the average rate of employment which will increase by 2.5%. This means 119,495 new jobs for young people by 2024.²⁶ Members also tell us the development of creativity is essential for entrepreneurship and innovation.

The shortfall in STEM subjects must be addressed

The shortfall of graduates in Science, Technology, Engineering and Maths (STEM), costs the UK £1.5bn a year in increased recruitment, training and temporary staff costs.²⁷ A recent study by the Institution of Mechanical Engineers found that more young people would consider engineering if they had had a chance to engage meaningfully with the subject at some point in school.²⁸

Arts, Humanities and Social Sciences are the heart of the economy

Many of the skills developed through study of AHSS subjects, such as Religious Education, History and English Literature, play a crucial role in future economy growth e.g. the services industry, hospitality, retail, advertising and creative industries. For example, tackling future issues around ethical AI, economic and political projections and future consumer-behaviour could all benefit from insights gleaned from AHSS subjects.

Furthermore, ensuring young people have a sound foundation of basic numeracy and literacy skills is vital. A third of students who sit GCSEs do not achieve at least a standard pass (grade 4) in English and Mathematics. In 2017, a total of 167,000 pupils – 32% of all pupils from state funded schools – did not achieve at least a grade 4 in English Language.²⁹ Disadvantaged young people are disproportionately represented in this cohort. For one of the world's leading economies, getting numeracy and literacy as core subjects right is of paramount importance. Whether students go on to study A-Levels, T-Levels or take on an apprenticeship at 16, a strong command of both literacy and numeracy is vital.

However, there have been some positive steps forward. The introduction of synthetic phonics has had some positive impacts on literacy and figures from the Department for Education suggest 163,000 more six-year-olds are on track to become fluent readers than in 2012.³⁰

Additionally, the CBI's welcomes the government's focus on improving numeracy including the recently announced multiplication tables check designed to help ensure young children in primary school know their times tables up to 12 by heart.

"Employers value young people who have mastered deep conceptual knowledge in the domains required for specific types of employment. But as this report rightly states, being 'work ready' is not the sole aim of education - education is intrinsically a social good in its own right. Powerful knowledge is in fact also about social justice - all young people have an equal entitlement to knowledge which should not be limited on grounds of perceived ability, ethnicity, gender or class. As Professor Michael Young says in Knowledge and the Future School, the school curriculum should be guarantor of equity based on the best knowledge we have. The school curriculum should give young people access to this knowledge in a way that takes them beyond their lived experience and develops mastery of domains of knowledge necessary to different types of employment, in a way that employers can trust."

Leora Cruddas, Chief Executive, Confederation of School Trusts

"As a world leading industrial technology company we are dependent upon a pipeline of work ready young people passionate about the world of Science, Technology, Engineering and Maths (STEM), the creativity of the Arts & Design and the application of data and computer science."

"Employers have a huge part to play in helping all young people have access to the opportunities to develop their readiness for the world of work. This is why Rolls-Royce have committed to inspire and engage 25 million tomorrow's pioneers in STEM by 2030. Together with the knowledge & application of the STEAM subjects we are looking to give young people, whatever their background, the opportunity to develop both the behaviour and character traits employers are looking for including collaboration, agility, being bold and seeking simplicity and also practice and develop essential skills such as problem solving, creativity, team work and valuing diversity & difference".

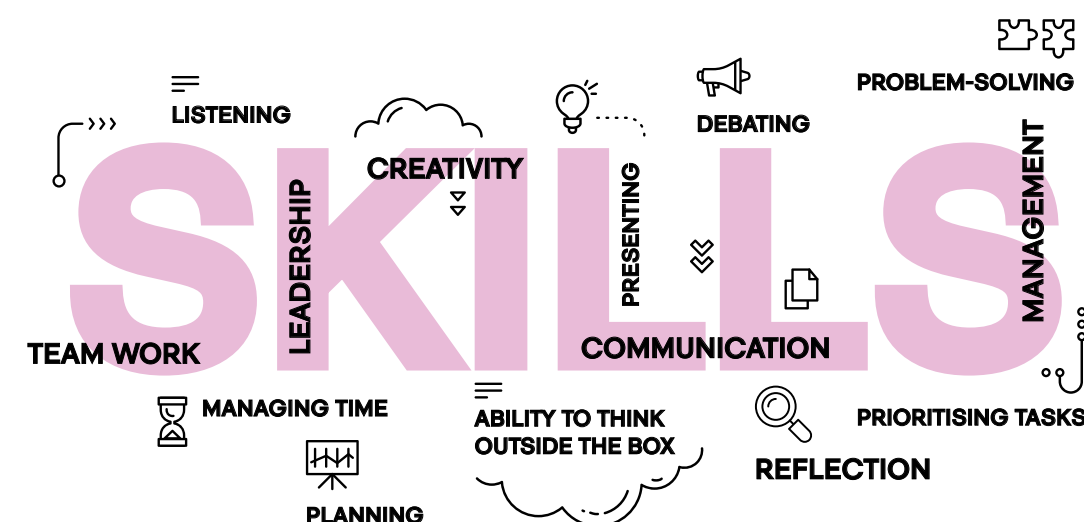
Paul Broadhead, Head of Community Investment & Education Outreach, Rolls-Royce plc

The development of essential skills is vital for success in the modern world

The CBI's 2018 education and skills survey found that 60% rank broader skills like listening, presenting and problem-solving among their top 3 priorities when recruiting. However, 38% were not satisfied with young people's skills in these areas.

In 2018 an Education and Employers survey 97% of teachers agreed that skills are as important, or more important, than academic qualifications, with 72% of teachers accepting we should be doing more to develop student's skills.³¹

When businesses talk about skills, variably known as 'soft-skills', 'employability-skills' or 'life-skills', they are talking about how character and knowledge is applied in real-life scenarios. When employers talk about skills, they're talking about things like:



But these terms are by no means exhaustive and different industries and sectors will value different types of skills in the young people they recruit and employ. Like character, it is possible for young people to develop these skills naturally – particularly if they have a natural talent for communicating or debating. However, we cannot presume that all young people have opportunities to practice these skills at school or home. In a similar way to character traits and knowledge, essential skills must also be *Taught not Caught*.³²

The importance of application of knowledge means that all subjects should have a strong practical element and an opportunity to apply the knowledge. There is a strong role for business in helping schools to embed this, providing those real work scenarios through meaningful work experience or business people going into schools and colleges to talk about how a subject relates to the real world.

All three pillars: character, knowledge and skills together are important. They are interconnected and reinforce each other. Character is the mind-set which underpins learning, knowledge helps develop a spirit of enquiry and passions about subjects, and the development of skills supports the application of a young person's unique character and talents in real-world scenarios. All of which are integral to preparing young people for the world beyond formal education.

"Artificial intelligence, information technology advances and agile working practices are changing how we work and deliver legal services. This in turn is demanding additional and very different skill sets."

"The speed of change places increased importance on individuals developing 'soft skills' that will support them to adapt to the pace of change we currently see in the modern workplace. It will become increasingly important for young people to develop character traits such as resilience, self-regulation and accompanying skills like teamwork and communication. There is an increased realisation from business and industry that they have a role to play through their own training programmes and apprenticeship schemes to work closer with education providers to influence this change in the curriculum. The curriculum will need to operate more flexibility and freedom if it is to support our young people to develop skills fit for the future."

Nicola Leyden, Director of HR, Muckle LLP



But there remain challenges ahead in getting young people work ready

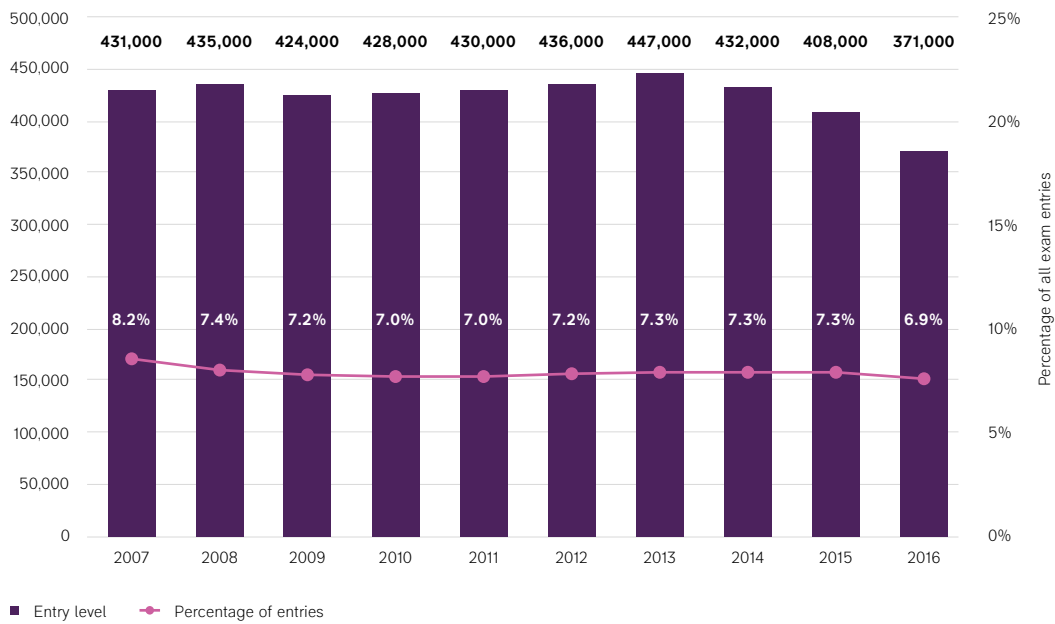
The school curriculum needs modernising

The new Ofsted Framework reasserts the importance of the English Baccalaureate (EBacc) performance measure as a minimum core of a broad and balanced curriculum. The Department for Education have stated that they want to see 95% of pupils taking the EBacc by 2025. Schools Minister Nick Gibb argues the minimum subjects included give students more flexibility in choosing their futures, by taking subjects that have the breadth and depth to prepare students for further or higher education, work, and life.

However, over the past ten years, businesses have told us the curriculum has narrowed rather than broadened, and provisional 2019 entries for GCSEs show fewer exams being taken in non-EBacc subjects, including a decline of almost 23% in Design and Technology since 2018.³³ Only 38.4% of pupils in state-funded schools were entered for the EBacc in 2018³⁴ and GCSE entries for Modern Foreign Languages has dropped by 45% since the turn of the millennium.³⁵

In addition, the below shows the overall entries to Arts subjects at Key stage 4 for pupils in state-funded mainstream schools between 2007 and 2016, which again shows a downward trend in arts entries.

Exhibit 2 Entries to all arts subjects, 2007-16



Source: Education Policy Institute, Entries to arts subjects at Key Stage 4, 2017

A joint report by Make UK and SEMTA recently called attention to the decline in students taking Design and Technology (D&T) at school, with 67% of manufacturers struggling to fill job roles because applicants lacked technical skills.³⁶ Arts organisations like the Cultural Learning Alliance have also expressed concerns reported impacts on the Arts and highlighted declines in GCSE entries to Arts and Creative subjects like Music, Drama and Design and Technology.³⁷

We need to provide a curriculum that instead of narrowing horizons, broadens them, and fosters skills such as creativity, resilience, communication, and problem-solving.

This is why the CBI is calling for a broadening of the EBacc performance measure, to include a creative subject.

"There is a wealth of detailed evidence to show that studying the arts fosters creativity, innovation, empathy, and resilience. Creating a performance with your peers requires teamwork and the ability to listen to different points of view, designing an artwork hones communication and problem-solving skills, all arts subjects teach the value of perseverance when your first attempt is a failure and the need for grit and determination to succeed. Studying art subjects in school give young people the behaviours and attitudes needed to be work-ready, in a labour market that increasingly values creativity."

Jacqui O'Hanlon, Director of Education, Royal Shakespeare Company and Chair, Cultural Learning Alliance

"The BRIT School for Performing Arts and Technology was set up in Croydon in 1991. I have worked for nearly 25 years at this unique state funded school. We now have 1350 students and over 9000 graduates working within the Creative Industries. Impressively, 99% of students in the last six years have either gone straight into jobs or higher education on leaving the School.

We incorporate a sense of social, moral and personal responsibility into the culture of the School. Students sign up to the inclusive ethos, we have no 'bells' between lessons to mirror a work environment and we work with local charities in the community. Collaboration between our dancers, filmmakers, digital artists, designers and musicians encourages teamwork and is demonstrated through a programme of 200 shows and exhibitions each year. We teach today's young citizen to be tomorrow's responsible entrepreneur, polymath, employer or employee.

"Having access to the Arts stimulates the imagination in young, curious, creative minds. It's the powerful social 'glue' which helps bind society together. Our curriculum is agile to meet a changing market place, one in which this country punches way above its weight. It's hard work but these are some of the things that make it work."

Stuart Worden, Principal of The BRIT School for Performing Arts & Technology

Impartial careers advice is needed to prepare young people for all options post-16

Alongside a broad and balanced school curriculum and qualifications for getting young people work ready, it is also vital that young people are informed of all their options post-16. This means schools and colleges are supported to achieve the Gatsby Benchmarks (see page 18) and deliver up-to-date careers advice on A-Levels, Apprenticeships and the upcoming T-Level pathways.

Understanding the value of the new upcoming T-Levels

Businesses have long called for the creation of a high-quality technical route to sit alongside A-Levels at age 18, and the T-Level reforms currently underway present the opportunity to deliver this transformative change to the technical education landscape.

From September 2020, the first three of 15 'pathways' will begin. Each pathway will be linked to a group of professions, including a substantial work placement and resulting in a high-quality qualification that sets learners up for further study, an apprenticeship, or employment. Experience of the workplace and a focus on technical knowledge will help ensure the T-Level qualification gets young people ready for whatever they choose upon completion.

Businesses are ready to step up and provide industry placements to help prepare young people for employment in later life, and the recent package of support measures announced by the government to help employers deliver industry placements is welcomed.

Reforming the Apprenticeship Levy to allow more businesses to offer apprenticeship opportunities

Since April 2017, businesses across all sectors with an annual pay bill above £3 million have been paying the Apprenticeship Levy at 0.5% a year to fund apprenticeship training. The levy is paid monthly into an apprenticeship service account, and funds in this account must be spent on apprenticeship training over a two-year period. The introduction of the Levy has been a major shift in skills funding.

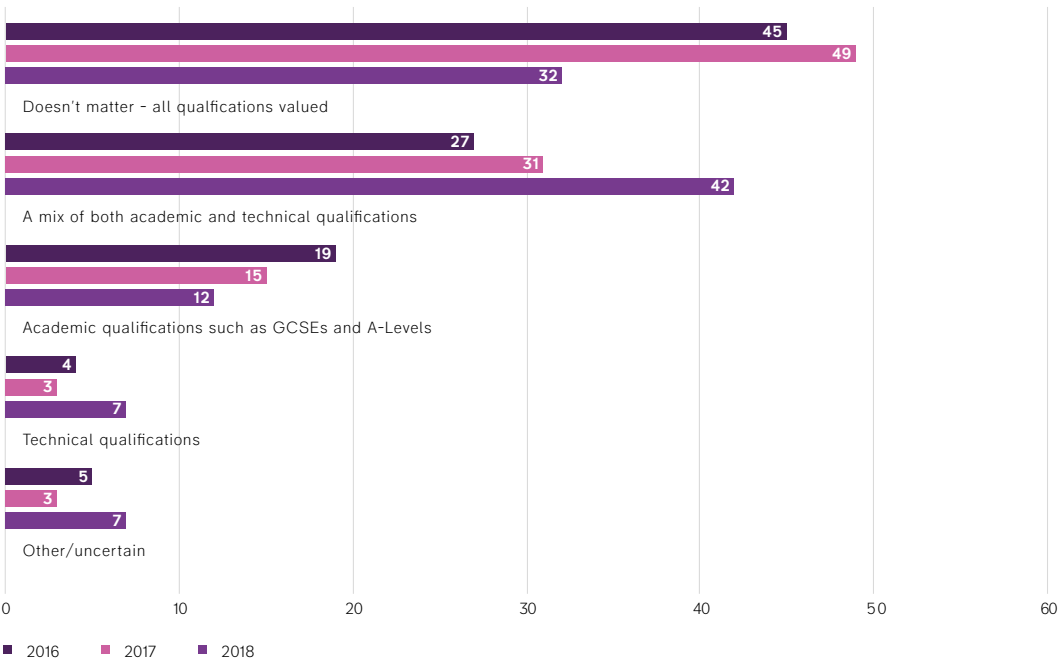
There has been a significant fall in overall apprenticeship starts since the introduction of the levy, with the bulk of the reductions happening in the 16-25 age category. The overall fall in starts can be attributed, at least in part, to ongoing business concerns about the Apprenticeship Levy. Ongoing reform of the levy is needed to improve these opportunities and ensure that apprenticeships remain open as a quality route that drives social mobility and supports progression for young people into great careers.

Business wants to see an increase in quality apprenticeships too and stands ready to work with the government to achieve this through ongoing reform of the Levy.

It is time to rethink our qualifications - including the role of GCSEs

The importance of qualifications is hard to dispute given they are an important proxy for understanding what knowledge and skills a person has. Indeed, the CBI education and skills survey found that academic results and qualifications are valued by employers, with 51% of respondents ranking them among their top 3 priorities when recruiting school and college leavers.³⁸

Exhibit 3 Qualification preferred by business when recruiting school/college leavers (%)



However, the role and approach to qualifications must continue to evolve and modernise. Earlier this year the Director-General of the CBI called for a rethink of GCSEs in their current form,³⁹ and asked if every young person should be in education or training until 18, why so much resource and emphasis should be placed on a qualification designed for an education system where young people left at 16.

The need to rethink qualifications was echoed by the Royal Society who highlighted how the UK is an outlier in allowing people to specialise down to a few subjects post-16. They are also concerned that students can entirely drop STEM subjects in favour of humanities (or vice versa) at A-Level. The Royal Society have said that A-Levels are no longer fit for purpose and do not give young people the best start for securing good jobs and should be reviewed.

This is why the CBI is calling on the government to rethink the role of qualifications, including GCSEs, in their current form.

In addition, a survey by the charity Education and Employers found nearly half (47%) of teachers believe that there are fewer opportunities to develop employability skills and competencies since the introduction of the reformed GCSEs and A levels.⁴⁰ Of these a third stated that changes to the syllabus had, for example, necessitated a new focus on rote learning to the detriment of developing the skills and attitudes needed for work.

Therefore, the CBI is calling on the government to develop a framework and shared approach for essential attributes to sit alongside the Gatsby Benchmarks.

The proposal in the new Ofsted Inspection Framework of a 'Quality of Education Judgement' rightly aims to shift the focus of inspections from performance data towards the importance of the teaching and assessment of the curriculum, with character and skills embedded in the intent, implementation and impact of this. This proposal is an important start in the process of ensuring teachers and schools are judged on a wide range of criteria, without an over emphasis on test results.

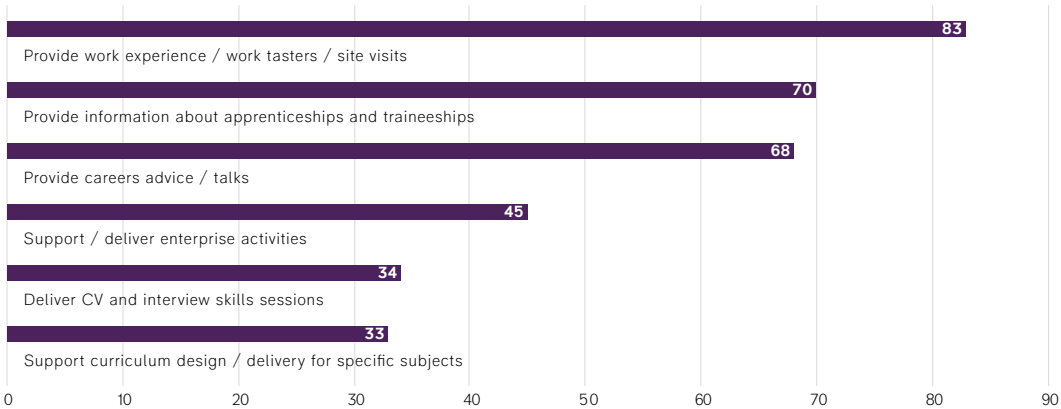


Business must be at the heart of the education system and supporting young people

Our recent education and skills survey⁴¹ found businesses are more enthusiastic than ever about their role in the education system. Indeed, 65% of those that responded to the survey want to play a greater role in supporting schools or colleges. Despite this growing enthusiasm, there was a small drop from 81% in 2017 to 72% in 2018 of the number of businesses who said they were engaging with schools and/or colleges.

The ways in which business works closely with the education system are varied, going beyond work experience and career talks, including:

Exhibit 4 Nature of employers' work with schools/colleges (%)



Schools in certain areas, particularly urban and economic centres, can receive more calls and emails from employers volunteering their time than they know what to do with. Often, there is no mechanism by which schools with too many offers of support can redirect businesses to less well served schools.

The consequence is that schools or colleges in a seaside town or a rural village can struggle to get businesses through their school gates, meaning they are not able to offer the same opportunities for their pupils. This has significant implications for social justice and pupils facing disadvantages who would benefit most from meeting employers and taking part in work experience.

There is a vital role for business in improving social justice and giving every child the best start in life. This is something the CBI is absolutely committed to as an Ambassador Organisation for the Social Mobility Commission.

This is why CBI are asking for the government's Youth Charter and Careers Strategy to be integrated, recognising the contributions employers make to young people and making it easier for them to support the education system.

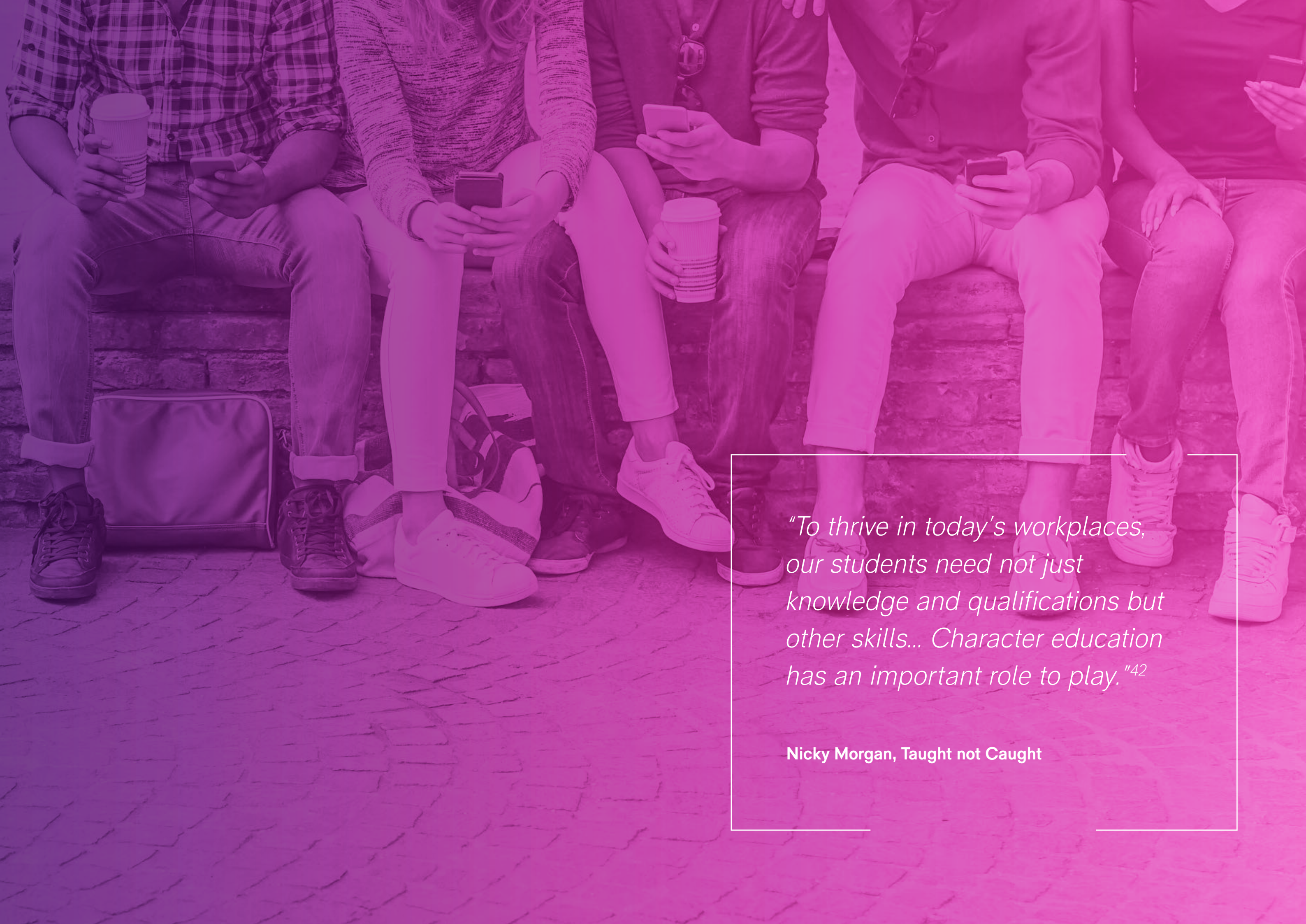
"TWI recognises that young people are far better placed to recognise opportunities and make the right choice of job or career when they are able to see or experience how their learning may be applied in the workplace. One way we help to make this link is by partnering with local schools, colleges and skills enterprises to tailor a relevant and varied outreach programme, allowing students to develop both their soft and practical skills as they approach the key decision points. This real-world awareness, in engineering or any other industry, is important to increase students' chances of getting into work and in turn creates a win-win situation for employers."

Catherine Condie, External Affairs Manager, TWI Global

To bridge the gap between the 65% of employers in our survey that want to get more involved and reverse the 9% drop in actual engagements, the CBI is developing an online toolkit that aims to bring employers and the education system closer together.

This guide will help employers get involved in the education in three broad areas:





"To thrive in today's workplaces, our students need not just knowledge and qualifications but other skills... Character education has an important role to play."⁴²

Nicky Morgan, Taught not Caught

Summary of findings

1. Employers do not think that young people are leaving education 'work ready'

Our Education and Skills survey found that 44% felt young people leaving school, college or university were not work ready. This is concerning given 45% of survey respondents ranked work readiness as the most important factor they consider when recruiting.

2. Employers have identified three pillars for work readiness: character, knowledge and skills

All three pillars are essential and interconnected. Each on their own does not prepare a young person for the modern world – knowledge is not useful if you cannot apply it in the real world, nor are equipped with the character necessary to use it.

3. Employers are concerned about curriculum narrowing

CBI members tell us the curriculum has narrowed rather than broadened. Of particular concern is the decline in creative subjects like Design and Technology, and Modern Foreign Languages. Employers want a broad and balanced school curriculum to best prepare young learners for the modern world.

4. Employers want a rethink on qualifications

Business knows education is about more than just qualifications. They also value character and wider skills and want young people to develop a range of skills and experiences beyond academic or technical learning.

5. Business has a key role to play in getting young people work ready

72% employers surveyed for our Education and Skills survey said they were engaged with schools or colleges, but they stand ready to do more. Employer engagement with schools is varied and businesses need to step up to improve social justice and opportunities living in harder to reach areas like coastal or rural towns. The CBI will be publishing a toolkit later this year to support employer engagement in our education system.



Recommendations

1. Government needs to rethink qualifications including GCSEs

The government should rethink the role of GCSEs and qualifications to take into account the development of character and broader skills. Fewer employers are relying on GCSE results and there are better ways of assessing schools other than on exam results, alone.

Employers, school leaders and government must work together to set out a vision of what success and attainment looks like for our education system.

2. The Government should broaden the EBacc to include a creative subject

The CBI supports the principle that every young person should have the entitlement to a minimum curriculum as encouraged by the EBacc framework. If the EBacc is to be maintained, however, the government should look to broaden the measure to include a creative subject such as drama, Design and Technology or music.

To deliver the government's pledge to have 75% of pupils enrolled on the EBacc programme by 2022 and 90% by 2025, schools need to be able to recruit teachers able to deliver all the subjects in the EBacc, as well as have enough funding per pupil to deliver the EBacc in a rigorous and high-quality way. The CBI will set out more detail on school funding in its 2019 Spending Review submission.

3. The government should work with the education sector and business to develop a framework and shared approach for essential attributes to sit alongside the Gatsby Benchmarks

The Gatsby Benchmarks have been successful in driving consensus of what high quality 'careers advice' must include and best practice on how to deliver it. The same effort, to form consensus must now take place to develop a shared approach for character and skills. An obvious starting point to build consensus is the SkillsBuilder framework.

This is also an opportunity to better outline how business can support the education system beyond just careers advice.

4. The government's Youth Charter and Careers Strategy should be integrated

Announced in April 2019, the government's proposed Youth Charter should aim to bring together the often-overlapping initiatives, support, and funding from various departments and government bodies in a more joined up manner to make it easier for employer to understand how they can support the education system and give young people the best start in life.

This must start with an audit of all existing activities with a view to integrate and scale the most effective activities in partnership with charities and employers.



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