




SCHOOL TIES: TRANSFORMING SMALL BUSINESS ENGAGEMENT WITH SCHOOLS

A REPORT FOR FSB SCOTLAND BY ROCKET SCIENCE

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1. FSB FOREWORD

Three years ago, the Scottish Government established the Commission for Developing Scotland's Young Workforce. The Wood Commission, as it became known, re-examined the purpose of vocational education and called for a transformation in how schools and colleges work with business to better equip young people for employment.

The Scottish government's response was a seven year programme which included an eye-catching commitment to cut youth unemployment by 40% by 2021 and the creation of industry-led groups to bridge the gap between business and education. In a break from the past, the Cabinet Secretary said:

'Fundamentally, this is about ensuring a work relevant educational experience for our young people... It is about employers playing an active role, both shaping and benefiting from Scotland's education system... Ultimately, it is about the future workforce'.

The Federation of Small Businesses (FSB) commissioned Rocket Science to undertake this research, in part, to find out how we make these aspirations a reality in an economy dominated by small firms. It breaks new ground, uncovering the nature and scale of business engagement in Scottish secondary schools, providing crucial evidence for the Regional Developing Young Workforce Groups who are charged with transforming school-business engagement. The report also includes a number of recommendations for the Scottish government, public agencies, local authorities, schools and industry.

The key finding that the majority of small businesses are not involved in schools (60%) will not be a surprise. Many of these businesses are distant from public sector support¹ and are focused on making their business a success. In addition, many face potentially insurmountable barriers to school engagement at a time when business confidence is at a three year low and some operating costs – especially labour costs – are increasing steeply. It's why we're backing calls from FSB members for the Scottish government to create a world-class digital service to connect interested businesses with schools in their areas and to simplify regulatory compliance.

Against this backdrop, the extensive support provided by the 25 per cent of businesses involved in schools is worth noting, as is the long-term nature of this commitment. This engagement ranges from work experience placements and paid employment, to careers advice and designing course work.

Given the commercial pressures facing smaller businesses, it is somewhat surprising that a key motivation for working with schools is about more than pure economic or business considerations – 'doing the right thing' for young people and the wider community figures prominently in the minds of business owners. That said, there are clear reputational gains derived from school engagement.

Perhaps the most important conclusion from this study, given the upcoming Scottish Parliament elections, is that getting more businesses into the classroom is central to efforts to reduce youth unemployment, increase entrepreneurship and pay levels among young people, and create more resilient local economies. This is not engagement for engagement's sake.

It is our hope that this report bridges the gap between policy and practice and encourages both schools and businesses to work more closely together. Certainly, if our evidence is correct, smaller businesses are willing to get involved if asked.

¹ "Small Business Survey Scotland 2014", Office of the Chief Economic Adviser, Scottish Government, March 2015.



Image courtesy of Young Enterprise Scotland

2. SUMMARY

Rocket Science was commissioned by FSB to explore the scale and character of small business engagement in Scottish secondary schools and recommend how it could be made easier for businesses and schools. This research is the first of its kind in Scotland and provides a unique insight into what is taking place in schools and workplaces. It is a timely contribution to the Scottish Government's 'Developing the Young Workforce' strategy.²

This report describes the findings, conclusions and recommendations following:

- A review of the existing research on school-small business engagement.
- An analysis of FSB survey data on small business engagement in schools.
- In-depth interviews with business owners.
- Extensive interviews with a wide range of stakeholders from schools, government, agencies and local authorities.

Findings and conclusions

Business engagement is central to Developing the Young Workforce

- Closer working between schools and small businesses lies at the heart of efforts to reduce youth unemployment, equip young people for the world of work and create stronger vocational routes into work. In practice, as several stakeholders stressed, *'We are opening up completely different pathways into work.'*
- School-business engagement provides both pupils and teachers with better insights into the world of work in terms of: the range of opportunities available; the skills, attitudes and habits needed in the workplace; and the way in which learning at school can be put to practical use.
- This in turn will help young people make more informed decisions about their futures and help them gain the habits and skills required to thrive in the workplace.

These benefits are tangible with research revealing that:

- Pupils who have encountered four or more employers while at school, on average, are up to 20% less likely on average to be NEET (not in education, employment or training).³
- School leaver's pay levels are proportional to the number of engagements they have had with businesses while at school. Each employer contact is worth an extra 4.5% in their pay packet.⁴

Small businesses have a vital role to play

- Small businesses (employing fewer than 50 people) employ almost one million people in Scotland⁵ and provide a significant proportion of jobs for school-leavers. This means it is vital for schools to engage with small businesses to provide pupils with a rounded view of the experiences and opportunities available in the labour market.
- The work of the Scottish government and Developing Young Workforce (DYW) Regional Groups is likely to encourage a focus on larger businesses in a bid to meet numerical targets, despite guidance to the contrary. This risks ignoring the changing nature of the labour market and business base where an increasing number are self-employed or run micro businesses.⁶

² "Developing the Young Workforce – Scotland's Youth Employment Strategy", Scottish Government, December 2014.

³ "The Opportunity-Information Gap. The Role of Employer Engagement with Schools. Research Summary", CIPD, December 2013.

⁴ "Employer Engagement in British Secondary Education: Wage Earning Outcomes Experienced by Young Adults", Anthony Mann and Christian Percy, Journal of Education and Work, February 2013.

⁵ "Businesses in Scotland 2015", Scottish Government, November 2015.

⁶ *Ibid.*

- Those involved in the DYW agenda talk about the significance of working with small and medium-sized enterprises (SMEs), but it is important to be aware of the diversity of Scotland's business community and recognise that SMEs have different requirements and different needs. The support that a micro business with no HR function needs, for example, is very different from the support needed by a firm with 200+ employees.
- Engagement with smaller businesses should not be at the expense of engaging with larger businesses. Schools need to be working with a range of business types and sizes – and with private, public and third sectors – if they are to offer their pupils insights into the range of opportunities available.
- In rural areas it is even more important for schools to engage with smaller businesses because they provide most of the local opportunities. However, this will be a challenge due to the small pool of businesses available and the composition of remote economies.

Small businesses face a range of barriers to engagement with schools

- Language and tactics matter if small businesses are to be encouraged to get involved in schools. Marketing efforts by schools and DYW groups must reflect the realities faced by small firms and avoid education jargon. They need to be drawn in by clear, realistic and concrete offers.
- The barriers faced by smaller businesses are brought home by the example of a micro business owner with four employees who devotes two hours a month to school engagement. This is equivalent to someone in a large business with 250 employees spending 3.5 weeks a month – in other words, almost a full time post.
- Practical barriers include certification for working with young people, health and safety requirements and the need for employers' liability insurance. The last was frequently cited as a major barrier for small businesses: *'Many employers are put off by the bureaucratic processes around work placements and walk away.'*
- The importance of being approached is notable – either by a school or intermediary or by a member of their social network. This is part of a wider finding that small businesses are willing to engage, but they need to be asked.

The current approach is 'ad hoc and haphazard' and needs to be more coherent

While there is a lot of good practice in school-business engagement, it remains, in the words of one stakeholder, *'a bit ad hoc and haphazard – driven by individual head teachers or teachers or local authority staff'* and reliant on their social networks. The role of DYW groups and their partners is to make sure that engagement becomes more transparent, consistent and available to all pupils and employers.

A clear requirement has emerged from our research for the Scottish government to recognise that building long-term relationships between schools and small businesses is a key route to develop inclusive and resilient local economies.⁷ We have identified considerable scope for improvement in the scale, reach and range of these relationships:

- Currently, one in four small businesses in Scotland have engaged with schools in the last two years.⁸ The top two reasons for not engaging – lack of consideration and lack of contact from schools – suggest that small businesses are open to working with schools.
- While it is clearly beneficial to focus on those businesses which can be reliable long term partners, the reality of small business life means that schools need as many relationships as possible to ensure a match can be made each year with the interests and requirements of pupils.

⁷ ["Resilient Economies, Resilient Communities. FSB Manifesto. Scottish Parliament Elections 2016"](#), FSB, October 2015.

⁸ ["Education and Skills Survey"](#), FSB, June 2015.

- Engagement between small businesses and schools is not easy for either party. Small businesses have limited time and resources and around one in five cite time and cost pressures as reasons for not getting involved. Schools also have their own resource challenges which can pose problems since more time and effort is generally required to engage with smaller, local businesses.
- Small businesses engage with schools through direct approach, by being contacted by schools and through intermediaries. All these routes have their role to play, but there is an urgent need to provide small businesses with much easier and more obvious ways of engaging. More than a third would be encouraged to get more involved if there was a better explanation of what is on offer and how they can contribute.

Pupils, parents and teachers all have important roles to play

- Although the number of pupils with part time work is decreasing,⁹ a number of head teachers are building on these jobs through accreditation. In addition, many pupils are able to track down opportunities through engaging directly with local businesses.
- The initial beneficiary does not need to be the pupil. Helping teachers gain insights into the world of work, particularly the requirements and personal characteristics of small businesses, is an important part of most successful engagements.
- Parents have a vital role to play. Their role as employers, business owners, employees and volunteers underpin successful school-business partnerships.

There is a need for strategic change

Despite pockets of outstanding practice, the relationship between schools and businesses has remained largely unchanged since the then Scottish Executive in 2007 called for 'a significant increase in the involvement of the business community in our schools.'¹⁰ The Scottish Government's youth unemployment strategy calls for transformational change. For this to be a success, the change needs to be at a strategic level as well as between individual schools and businesses.

This should include:

- Labour market: providing a clear context in terms of wider labour market trends and issues. Local authorities and their partners – notably Skills Development Scotland (SDS), FSB, Chambers of Commerce and colleges – have an important role to play in describing the current and emerging needs in local labour markets. This will help schools target particular businesses or sectors and check the extent to which they are covering the full range of opportunities.
- Leadership: ensuring that head teachers recognise the significance of business engagement and its value in driving parity of esteem between vocational and academic pathways. Equally important is their role in ensuring that schools are seen as open and welcoming to the business community.
- Teachers' skills: providing teachers with the leadership, support and time to become more aware of the world of work through teacher training and regular CPD activities.
- Resources: ensuring schools have the capacity and resources to embed business engagement in the curriculum and build long-term relationships with small businesses.
- Culture: schools and small businesses are very different organisations and have their own language and priorities. They need to work closely together to make sure pupils are exposed to different environments and build different skill sets suited to the jobs market.

⁹ ["The Death of the Saturday Job, The Decline in Earning and Learning Amongst Young People in the UK"](#), UKCES, June 2015.

¹⁰ ["Determined to Succeed Three Years On: Investing in Scotland's Future - Creating a Culture of Enterprise in Our Schools"](#), Scottish Executive, March 2007.

Recommendations

Scottish Government

- Businesses support the creation of an online national matching service to enable them to quickly and easily register their interest and identify opportunities in schools. Although progress has been made by SDS¹¹ a more tailored and comprehensive approach is required. To prevent a range of websites being funded regionally to do this task, a national service should be developed and promoted. It would be consistent with FSB policy to house this on mygov.scot.
- Make it easier to find information about DYW and how to become involved in the regional groups.
- Recognise the significant contribution that Scottish Enterprise, Highlands and Islands Enterprise, Business Gateway and other agencies can make by sharing data with schools and DYW groups.
- Ensure that the regulatory requirements are as simple as possible for small businesses. As many as 10% say they do not get involved in schools because of the complexity of regulations.

Local Authorities

- Local authorities provide a vital source of support and guidance for schools in taking forward the DYW agenda. It is important that they use their influence and resources to help schools engage with a diverse range of businesses, especially in areas of multiple deprivation and low levels of economic activity.
- Encourage schools to work in collaboration with each other to avoid duplicating business engagement activities and ensure schools in less affluent areas are not disadvantaged.
- Play a central role – working with partners – in providing schools with the broader context in which they are operating – i.e. detailed local business insights about current and emerging labour market requirements to complement what is available in Regional Skills Assessments.

DYW Regional Groups

- Recognise the distinctive character and significance of smaller businesses and specifically target those who are not involved in schools.
- Acknowledge the geographical variations in the significance of small businesses and ensure this is reflected in appropriate marketing and engagement approaches.
- Ensure they explore the scale of the small business sector in their area and work with those already active in schools such as Career Ready, Young Enterprise Scotland and others.
- Focus on active, direct engagement with businesses. Engaging with smaller businesses is labour intensive, but significant progress can be achieved in the three years for which government funding is available. It will be important for groups to create a clear and obvious way for businesses to get in touch with them and ensure a prompt and effective response.
- Find ways to help schools in the most deprived communities reach out beyond their catchment areas to ensure their pupils do not have a more limited range of opportunities and experiences than their more affluent counterparts.

Skills Development Scotland

- Work with DYW regional groups to develop the skills of teachers outside the classroom, building on the impact of the former Excellence in Education through Business Links (EEBL) programme.¹²
- Ensure that their intelligence gathered on small businesses through programmes such as Modern Apprenticeships and Skills for Growth are shared with regional groups.

¹¹ [“Engage With Education”, Skills Development Scotland, 2016.](#)

¹² [“Excellence in Education through Business Links”, Education Scotland.](#)

- Work with the Scottish government to build on the knowledge and expertise of the Our Skillsforce/Engage with Education website to develop a genuinely world-class, national web portal for school-business engagement.
- Monitor the activities of regional groups to prevent duplication of effort in areas such as Modern Apprenticeships.

Education Scotland

- Ensure that business engagement and knowledge of the local jobs market forms part of the secondary school inspection programme by 2018.

Small businesses

- Small business leaders who are keen to get involved should get in touch with schools by contacting DYW regional groups or by using FSB's template letter.
- Where possible, small businesses should work with other businesses to provide pupils with a full range of experiences.

Large businesses

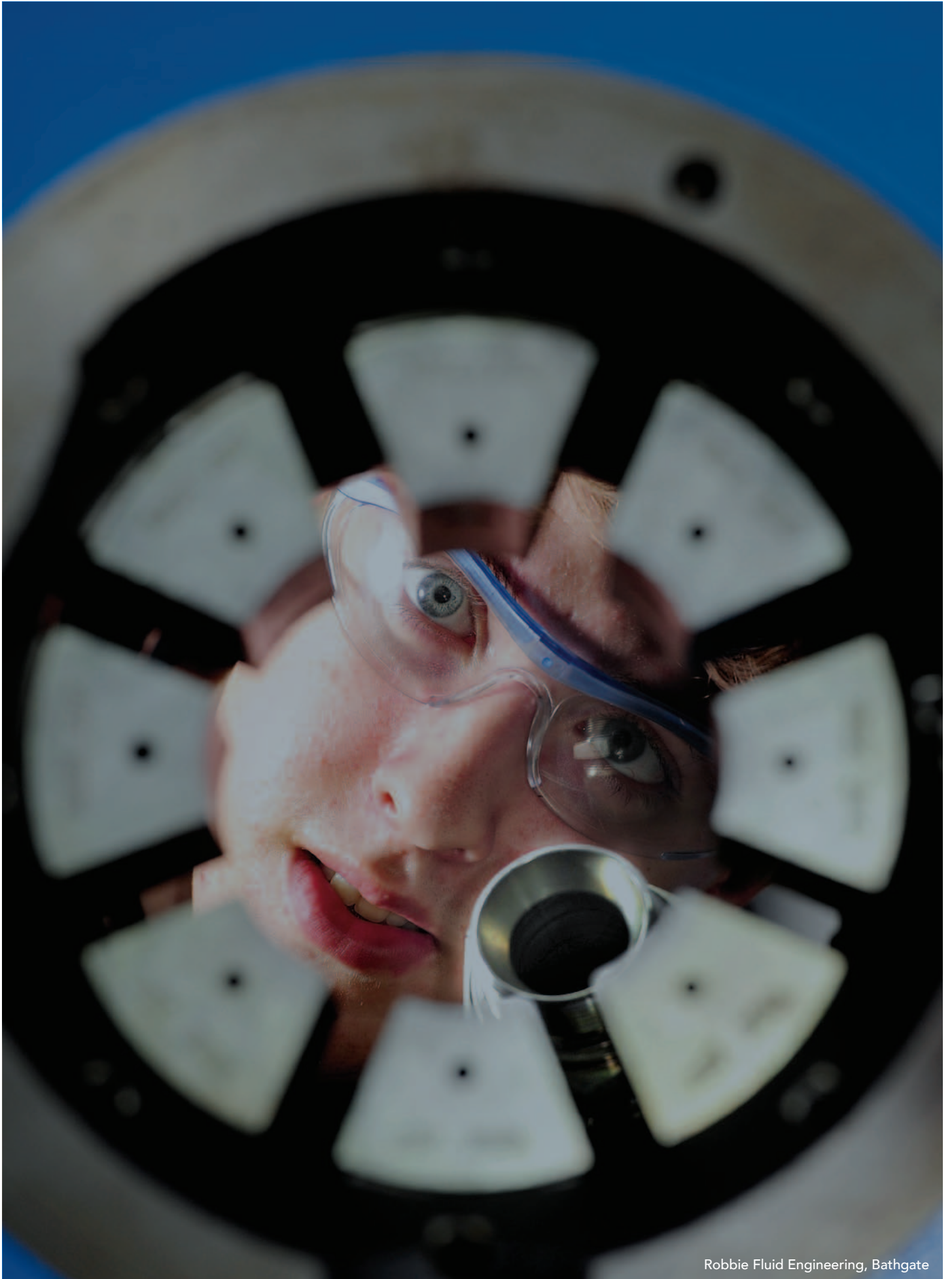
- Large businesses have an important role to play in providing leadership and innovation and should consider actively encouraging and supporting their supply chain businesses to engage with schools.

Schools

- Schools need to be highly active and visible in their engagement with local small businesses. This means developing relationships with business organisations such as FSB, the local Chamber of Commerce and local sector groupings and networks. It also means operating an 'open door' approach and ensuring that business approaches are welcomed and attract a quick response.
- The evidence shows that there are significant benefits to be gained by both pupils and by businesses; it is not a one-way street. Schools should emphasise and build on the value of work-based learning, given the flexibility of Curriculum for Excellence.
- As noted in the recommendations for DYW groups, schools in areas of high deprivation need to expand their search area for appropriate engagements, matching the larger travel to work area that their pupils will be navigating if they are to succeed in the labour market. In practice, this means that schools' activities will extend beyond their own catchment areas and there will therefore be a need for collaboration.
- There is a specific responsibility on head teachers to recognise the significance of business engagement and ensure that both they and their teachers have the time, resources and support to engage effectively.

FSB

- Celebrate the contribution small businesses make in their local schools.
- Identify, develop and disseminate case studies of successful school-business engagement.
- Campaign to make it easier and simpler for small businesses to engage with schools.
- Develop materials to encourage businesses to get involved in schools (see appendix three).
- Continue to contribute to the work around Developing Scotland's Young Workforce.
- Continue to work with its official charity, Young Enterprise Scotland, to promote enterprise education for all pupils.



Robbie Fluid Engineering, Bathgate

3. REVIEW OF RESEARCH

There is a wide range of published research on business engagement with schools which typically identifies benefits, barriers and best practice. In this Chapter we focus on issues that are of particular relevance to smaller businesses.

What is the scale of engagement between schools and small businesses?

In FSB's latest survey on education and skills, 25% of small businesses were found to have been involved in their local school in the last two years, while 60% have never had any involvement.¹³ A range of activities were cited by those active in schools including: providing work experience; speaking in schools; student mentoring; providing guidance on entrepreneurship; and contributing towards careers advice.

The Chartered Institute of Personnel and Development (CIPD) has conducted an annual survey of UK business engagement with young people since 2012. The most recent survey found that:

- 38% of SMEs have some form of interaction with schools, compared with 70% of large businesses.
- Within the SME category, 22% of micro businesses, 36% of small businesses and 58% of medium sized businesses are engaged with schools in some form.¹⁴

This follows the pattern found in a number of surveys that the smaller the business, the less likely it is to be engaged with schools.

What is the scale of recruitment of young people by small businesses?

According to CIPD, SMEs are also less likely to hire young people than larger organisations. It found that 58% reported that they are currently employing young people, compared with 93% of larger organisations.¹⁵

FSB's research on small businesses' recruitment of young people between 2013 and 2015 shows that:

- 21% have employed 16 year old school leavers.
- 24% have employed 18 year old school leavers.
- 22% have employed college leavers.
- 24% have employed university graduates.

This challenges previous FSB research¹⁶ which examined in detail the recruitment behaviour of micro-businesses, concluding that they under employ young people and over employ older people. The most recent research illustrates higher levels of youth employment by small businesses.

Benefits to small businesses of school engagement

There are a range of benefits to employers identified in the literature including: developing and attracting talented employees who have an understanding of the industry and required skills;¹⁷ improving business reputation and brand;¹⁸ and providing development opportunities for staff through working with young people in schools and the workplace.¹⁹

¹³ "Education and Skills Survey", FSB, June 2015

¹⁴ "[Learning to Work Survey Report](#)", CIPD, March 2015.

¹⁵ *Ibid.*

¹⁶ "[Micros Untapped: Realising the Employment Potential of Micro-Businesses](#)", Rocket Science for FSB, November 2012.

¹⁷ "[Time to Engage: A Handbook for Business Engagement with Schools](#)", Greater Birmingham Chambers of Commerce, Europe Direct Birmingham, European Union, December 2014.

¹⁸ "[How Businesses can Contribute Positively to Local Schools and Communities](#)", Journal of Urban Regeneration and Renewal, Vol 1 No 3, Aggarwal and Shelley, Spring 2008.

¹⁹ "Time to Engage", Greater Birmingham Chambers of Commerce, December 2014.

Several benefits are of particular importance to smaller businesses:

- **It widens recruitment pools** to include more young people. Although more small businesses are now using more formal recruitment methods like recruitment agencies, job websites and newspapers,²⁰ they are still more likely to use informal methods such as word of mouth and networking. Indeed, almost all micro-businesses surveyed by the British Chambers of Commerce used informal methods and these tend to favour older workers as they have more established networks.²¹
- It helps smaller businesses **overcome negative perceptions about hiring young people**. A survey of micro businesses identified that smaller employers are sceptical about the capabilities of young employees, particularly around numeracy, literacy, communication skills and work ethic.²² Nearly half of the 2,255 micro businesses responding “would be ‘fairly’ or ‘very nervous’ of recruiting a school leaver.”

Other research relates the lower level of recruitment of young people by small businesses to business leaders’ perceptions that recruiting young people is a higher risk approach than hiring older people.²³ Consequently, exposure to young people helps businesses appreciate that the risks of recruiting young people may be much lower than they imagine.

A UK Commission for Employment and Skills (UKCES) survey found that 59% of businesses that had employed 16 year old school leavers considered these employees well prepared for work.²⁴ Exposure by businesses to school students can help to allay concerns and challenge prejudices around employing young people. Nonetheless, 57% of small employers continue to consider school leavers as not prepared for the workplace.

Beyond reducing the perception of risk, being engaged with local schools also **reduces the actual recruitment risk**. Much of the literature on recruitment in small enterprises identifies that they are more risk averse than larger employers when it comes to hiring new employees.²⁵ Engagement with schools can allow employers to gain more information on potential employees in a low risk way. For example, work experience opportunities for pupils provide employers with information on the likely capabilities of the student, without commitment.

- These opportunities can be particularly useful for businesses wishing to expand or explore new market opportunities, as they can use these resources to trial new activities.

Benefits to pupils of engagement with small businesses

In recent years some of the literature on school-business engagement has sought to quantify the benefits to students from early exposure to the labour market. One study estimates that students who have undertaken significant employer engagement are, on average, up to 20% less likely to be NEET.²⁶ Other benefits include:

- Navigating an economy of smaller businesses is much **more complex than navigating the recruitment opportunities of larger firms**.²⁷ With more than 40% of Scottish private sector jobs coming from small businesses, the routes to employment for young people can be confusing. The Education and Employers Taskforce in the UK stated that “...too often, young people struggle to find work experience at SMEs and micro businesses and it is here where the greatest growth in demand for labour is found and where informal recruitment practices are most common.”²⁸ Students who have exposure to small businesses, and can understand how to seek employment in them, will be much better placed to find their way in a complicated labour market – and hence meet smaller employers’ needs.

²⁰ “Education and Skills Survey”, FSB, June 2013.

²¹ “Time to Engage”, Greater Birmingham Chambers of Commerce, December 2014.

²² “Beyond the Business Case. The Employer’s Role in Tackling Youth Unemployment”, The Work Foundation, Cominetti, N. Sissons, P. & Jones, K., July 2013.

²³ Learning to Work Survey Report, CIPD, March 2015. “Micros untapped”, FSB, 2012.

²⁴ “UK Commission’s Employer Skills Survey 2011: UK Results”, UKCES, July 2012.

²⁵ “How Should our Schools Respond to the Demands of the Twenty First Century Labour Market? Eight Perspectives”, Education and Employers Research, February 2015.

²⁶ “The Opportunity-Information Gap”, CIPD, 2013.

²⁷ “From School to Work in London. Learning from Germany - Education and Employers Working Together. Final Report”, Partnership for Young London, Education and Employers and Erasmus+, June 2015.

²⁸ “How Should our Schools Respond to the Demands of the Twenty First Century Labour Market?”, Education and Employers Research, February 2015.

- As noted above, one in four small businesses have some form of engagement with schools in Scotland.²⁹ Unless they work more closely with schools, pupils will not have exposure to a **fair representation of the labour market** and the very different business structures and operations of small businesses.
- Recent UK research has been able to quantify the benefit of young people's engagement with businesses in terms of subsequent increase in earnings. One of the key conclusions is that **the benefit is directly proportional to the number of engagements with businesses** – with a wage premium of 4.5% for each additional employer contact made through school.³⁰

Barriers to engagement by small businesses

There are several barriers to engagement identified in the literature that are particularly pertinent to small businesses:

- The **resource implications** for businesses are a key barrier. These costs are both direct and indirect (in the shape of staff or the proprietor's time). The Education and Employers Taskforce estimated that in England the investment in school engagement in 2009/10 was £83m by the government, £4m by the third sector, £34m by schools, £124m in direct costs incurred by businesses and another £254m of volunteered staff time in the private sector.³¹ The estimates are drawn from a range of literature sources, however they give an indication of the total cost involved in school-business engagement.
- The **indirect costs of engagement are more material for small businesses** because of the scarcity of total staff time available and the lack of HR expertise.³² This is identified as a significant barrier to school engagement across the international literature. For example, in New Zealand, where 97% of all firms are SMEs, they are struggling to find businesses that are able to afford to engage with schools.³³

A small business owner with four employees devoting two hours a month to working in schools is the equivalent to staff in a 250 employee business devoting nearly 3.5 weeks a month, basically a full-time post.

- The **time involved facilitating and organising the engagement can be significant**, particularly as the number of players involved increases.³⁴ Where schools are engaging with a number of small businesses, as opposed to a single large employer, the organisation complexity expands. Due to this added complexity, some smaller businesses feel that opportunities to engage with schools can be hard to come by, with schools opting to engage with larger businesses as they find it easier to do so.³⁵
- **Business planning is more vulnerable to uncertainty** in smaller businesses.³⁶ This means that they have less certainty about future staffing needs, which can reduce the incentive to engage with schools and actively develop a pipeline of prospective employees.³⁷

²⁹ "Learning to Work Survey Report", CIPD, March 2015.

³⁰ "Employer Engagement in British Secondary Education", Anthony Mann and Christian Percy, 2013.

³¹ "How much does it cost a country to engage employers in education? One assessment", Education and Employers, March 2015.

³² "Beyond the business case", The Work Foundation, July 2013. "Business and Schools Building the world of work together", Briefing paper, UKCES, 2012. "Engaging Employers", Solberg, Dr S & Borbely-Pecze, Dr TB, 2015.

³³ "Engaging Employers", Solberg and Borbely-Pecze, 2015.

³⁴ "Beyond the business case", The Work Foundation, July 2013.

³⁵ "Business and Schools Building the World of Work Together", UKCES, April 2012.

³⁶ "Beyond the business case", The Work Foundation, July 2013.

³⁷ *Ibid.*, "Engaging Employers", Solberg and Borbely-Pecze, 2015.

Overcoming barriers and best practice

The literature identifies a number of ways to overcome these barriers and highlights examples of best practice. These include:

- **Designing the engagement between an employer and school to suit the availability of the employer.** Different employers will be able to support different types of involvement in schools. For example, smaller employers may not be able to guarantee Modern Apprenticeships, but may be able to offer work placements or in-school mentoring for students.³⁸ In developing a portfolio of innovative employer relationships, schools can look to address the needs of the students within the resources available to businesses.
- One Scottish example of developing innovative relationships between schools and employers was the **Excellence in Education through Business Links (EEBL)**. This programme involved teachers completing short work placements within businesses to better inform their teaching content and method. Where these placements occurred during term time, resourcing to pay for teacher cover is provided by the programme.³⁹ In the 2009 evaluation, over 80% of host organisations assessed the experience as good or excellent with the proportion being even higher among teachers.⁴⁰
- In Germany, employer federations **work together on school engagement**, funded by annual membership fees or one-off capital investments.⁴¹ Closer to home, a Tourism and Hospitality Guild has been developed by a range of small businesses in Kent to create and foster entry and progression paths for students.⁴²
- Also in Kent, they have sought to make it easier for pupils to demonstrate to potential employers the **skills and experience they have acquired while on work placements**. This was done through a 'Kent Passport' which recorded the skills achieved by an individual from employer engagement.⁴³ In Scotland, a similar role lies behind the 'Work Readiness Certificate' that was launched in response to the concerns of small businesses.⁴⁴
- **Increasing the direct support provided to small businesses.** A number of sources identified that more engagement would be likely to occur if help was provided for the administration and organisation of engagement with schools.⁴⁵ One source identified that better organisation of business input into school planning and curriculum would deliver more meaningful engagement by employers.⁴⁶ Support for "*SMEs to build capacity to recruit and train young people*" was also identified as part of the Developing Scotland's Young Workforce recommendations.⁴⁷
- **Increasing the recognition received by businesses for school engagements in order to incentivise participation.** Hampshire County Council has developed an award system for businesses that are engaging with schools. Businesses are able to advertise their receipt of a Bronze, Silver, or Gold award from the Council for their contribution to youth employment through school engagement. Although formal accreditation schemes hold little attraction for smaller businesses, this may incentivise participation from larger businesses.

³⁸ "Employing Young People. A Step-by-Step Guide for SMEs", CIPD, 2015. "Beyond the business case", The Work Foundation, July 2013.

³⁹ "Excellence in Education through Business Links", Education Scotland.

⁴⁰ "Evaluation of Excellence in Education through Business Links (EEBL)", SWQ, February 2009.

⁴¹ "From School to Work in London", Partnership for Young London, Education and Employers and Erasmus+, June 2015.

⁴² "Improving Employability Skills, Enriching Our Economy". Evidence for Excellence in Education, National Foundation for Educational Research, March 2015.

⁴³ "Case Study Report: Improving Employability Skills, Enriching Our Economy. Evidence for Excellence in Education", National Foundation for Educational Research, March 2015.

⁴⁴ "Certificate of Work Readiness", Skills Development Scotland.

⁴⁵ "Beyond the business case", The Work Foundation, July 2013.

⁴⁶ "From School to Work in London", Partnership for Young London, Education and Employers and Erasmus+, June 2015.

⁴⁷ "Education Working For All! Commission for Developing Scotland's Young Workforce Final Report", Scottish Government, June 2014.

- ***The use of online portals for sharing information on job, training and work placement opportunities.*** There are some UK examples where online portals have been developed to help make connections between businesses, schools and young people. These are particularly useful for smaller employers because they simplify what can be overly complex processes. In Scotland, the Our Skillsforce site operated by SDS provides a place where employers can register their interest in engaging with schools.⁴⁸ The WorkTaster programme in Birmingham is another example of an online hub which is designed to ensure that access to work experience by students is fair and inclusive by improving access to information.⁴⁹
- The National Foundation for Educational Research has produced a 'connect card' which aims to educate businesses on how to engage with schools and colleges.⁵⁰ This 'connect card' provides a good starter summary for those looking to engage with schools.

⁴⁸ "Engage With Education", Skills Development Scotland, 2016.

⁴⁹ "Time to Engage", Greater Birmingham Chambers of Commerce, December 2014.

⁵⁰ "Case Study Report: Improving Employability Skills", National Foundation for Educational Research, March 2015.



Image courtesy of Young Enterprise Scotland

4. SURVEY FINDINGS

Despite the numerous studies of school-business engagement in the UK and elsewhere outlined in the preceding chapter, few have examined this issue in any great detail through the perspective of micro and small businesses.

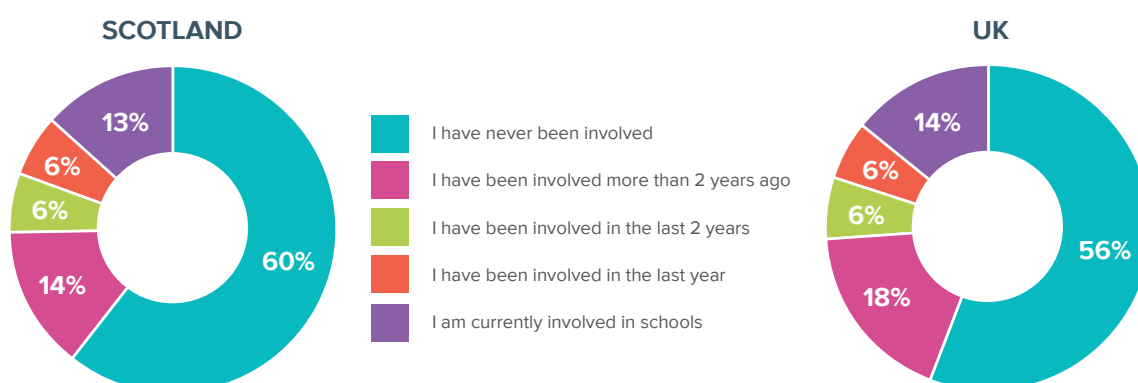
To fill the evidence gap, two surveys were conducted with FSB members in Scotland in the summer and autumn of 2015. One survey aimed to establish the scale of engagement in secondary schools⁵¹ while the other sought to gain a better understanding of what small businesses were doing in schools: how it occurred, what motivated business owners to get involved and the outcome of their engagement.⁵²

Overall, the findings follow a pattern evident in preceding studies that the smaller the business, the less likely it is to work with schools. However, as will be shown, the levels of small business engagement in Scottish secondary schools are lower than previously thought.

Scale of engagement

In the last two years, 1 in 4 Scottish small businesses have been active in their local school, which is in line with figures for the UK as a whole (Figure 1). 14% have been involved for more than two years and 60% have had no involvement in schools. These relatively modest levels of engagement show the challenge facing the regional DYW groups, whose key objective, it will be recalled, is to act as a bridge between business and education.

Figure 1: Most small businesses have never been involved with schools



Supporting young people at school

Businesses active in the secondary school system have provided a range of opportunities for young people in the last two years (Figure 2). The dominance of work placements is clear, with almost two thirds of engaged small businesses offering placements to pupils. The large scale of work trials and apprenticeships also suggests a positive relationship between engaging in schools and recruiting young people.

⁵¹ *Ibid.*, FSB, June 2015. Sample size = 299.

⁵² "Small Business Engagement in Schools – Survey Results", FSB and Rocket Science, September 2015. Sample size = 263.

Figure 2: Work experience is the biggest opportunity provided for young people

Opportunity	Number providing at least once in last 2 years (% of total sample)	As % of those providing any opportunity	Maximum number provided per business*	Average number per business*	TOTAL*
Work experience placements for school pupils	165 (63%)	76%	100	5	653
Part or full time jobs	116 (44%)	63%	150	6	531
Work trials for potential new recruits	67 (25%)	42%	30	3	158
Apprenticeships	52 (20%)	33%	8	2	96
Volunteer placements for under 25s	47 (18%)	31%	100	7	247
Internships	28 (11%)	19%	6	2	47
Graduate training programme opportunities	19 (7%)	13%	6	2	27

*Some respondents did not answer questions about numbers of opportunities provided.

Supporting young people at school

Small businesses have also offered substantial support to pupils despite facing tough commercial pressures and a challenging trading environment (Figure 3). Beyond offering work experience placements, mentoring, school visits and involvement in enterprise competitions were the most common activities. The frequency of each of these activities is notable because it highlights that businesses were not involved in occasional ‘one off’ engagements.

Figure 3: Summary of support provided to young people in school

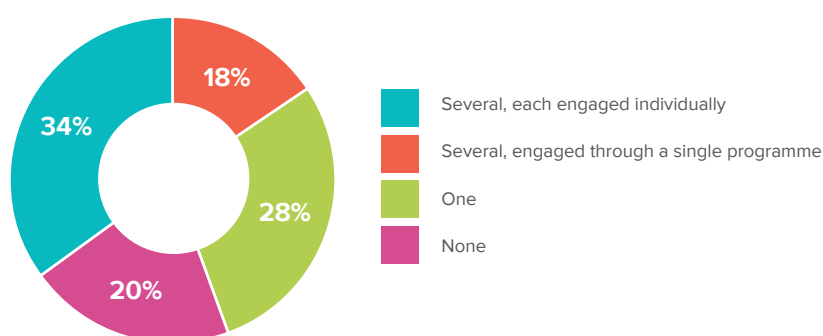
Support activity	Number undertaking at least one activity in last 2 years	As % of those providing any opportunity	Maximum number provided per business*	Average number per business*	TOTAL*
Visits to schools to talk about careers in organisation	57 (22%)	44%	50	5	194
One to one mentoring support, either face to face or online	53 (20%)	40%	50	10	362
Sponsoring, supporting or participating in enterprise competitions	53 (20%)	40%	20	2	75
Contribution to delivery of a lesson	45 (17%)	36%	90	9	232
Site visits at workplace	42 (16%)	34%	90	9	253
Mock job interviews	31 (12%)	26%	50	9	162

*Some respondents did not answer questions about the number of times these activities were undertaken.

School involvement

The largest group of businesses had engaged with several schools on an individual basis and over half had worked with several schools through a single programme (Figure 4).

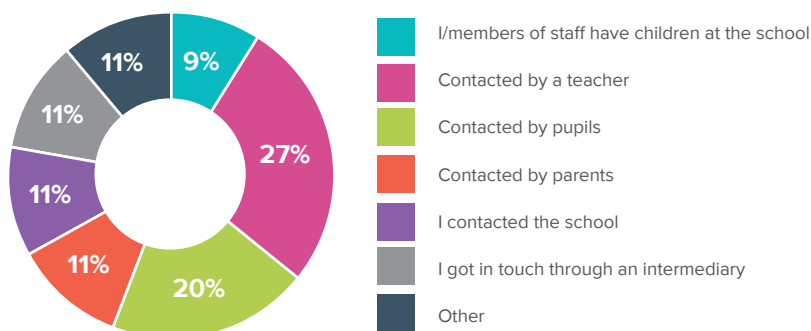
Figure 4: Over half of engaged small businesses have worked with 2 or more schools in the last 2 years



These engagements were initiated in a variety of ways (Figure 5) but it is striking that most engagements (58%) came from businesses being contacted – by teachers, schools, parents and pupils – rather than actively getting in touch with schools themselves. The role of intermediaries is as significant as that of direct contact by businesses.

The fact that many business owners/employees are parents is reflected in the 11% of contact which comes through this route. Of those engaging because owners/staff were parents, almost three quarters (73%) agreed that the business became involved with the school because parents saw the benefits. Half that proportion (36%) agreed that the business became involved with the school because parents identified a lack of relevant careers provision or business-related content in the curriculum.

Figure 5: Most engagement came from the business being contacted by the school or pupils



Encouragingly, 68% of respondents say that their engagement with schools is part of an on-going relationship which they plan to continue. An additional 18% state that it is a recent development which they plan to continue, demonstrating the commitment small businesses make to their work in schools.

Supporting teachers and schools

The support businesses offer pupils is a central part of the school-business relationship. Equally important, though discussed less frequently, is the direct support they provide to teachers and school staff. In the last two years, 42% of small businesses had been involved in activities such as providing training or advice on the curriculum, careers advice and designing course work.

Figure 6: Small businesses provide a range of support to teachers and schools

Activity	As % of those involved in any activity	Number involved in last 2 years
Training or advice to teachers about curriculum area related to business	42%	41
Advice to the head teacher or parent council	25%	23
Help to design/set course work for students	25%	23
Respondent or an employee sits on parent council	24%	22
Training or advice to teachers or careers advisors about careers and the world of work	23%	21

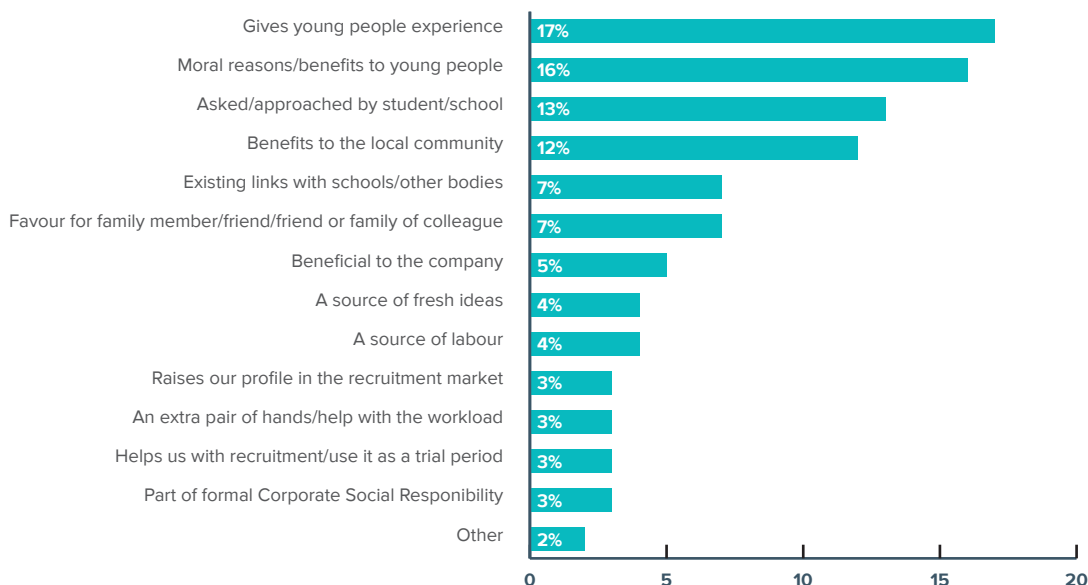
Motivation for small business engagement

Understanding why small businesses get involved in schools was a key issue for this research. Was it an economic consideration? Did they mix their personal life as a parent and their role as a business owner? Were they influenced by their commitment to the local community?

The research found a complex set of reasons behind businesses’ engagement with schools (Figure 7). However, what emerged as the most significant motivation was not the profit motive but altruism – that is, small business owners recognising they have a valuable role to play in the community to help young people understand the world of work and its opportunities.

What is also notable is the importance of the business being approached – either by a school, an intermediary or by a member of their social network. This is part of the wider finding that small businesses are willing to engage, but they need to be asked.

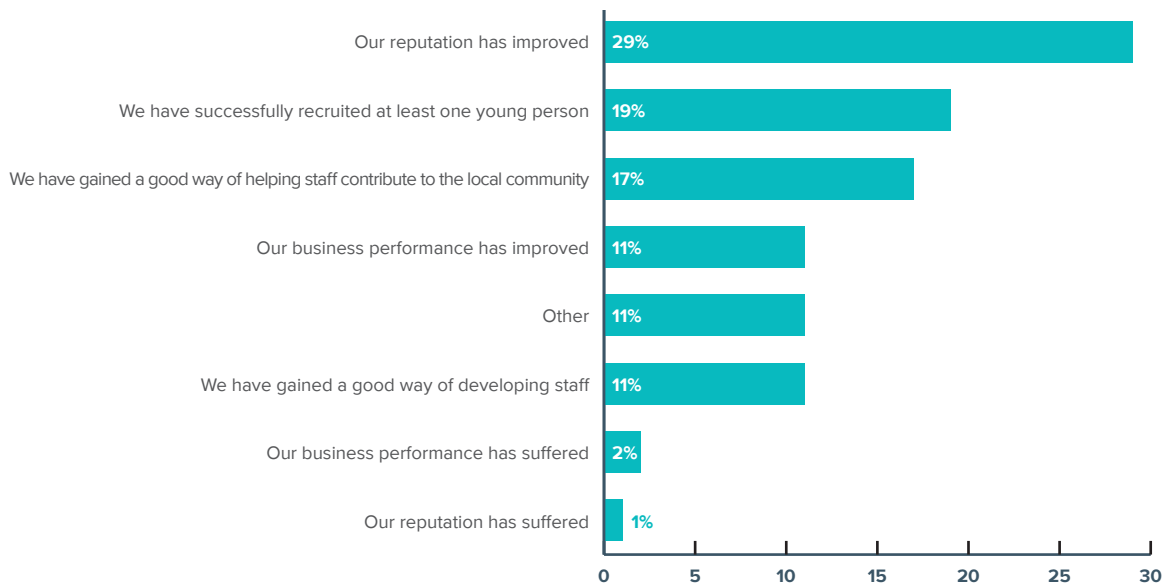
Figure 7: Doing the ‘right thing’ is a strong motivation for involvement with schools



Benefits of engagement

As noted in chapter one, the business benefits that derive from engagement are a key feature of the literature, however this tends to focus more on larger businesses. This study wanted to see if these findings also held true for Scottish small business owners who are active in schools. It found that the top three benefits were: improved reputation (29%); successfully recruiting young people (19%); and finding a good way of helping staff contribute to the local community (17%). Only 11 businesses out of 346 believed that the engagement had led to their performance or reputation suffering.

Figure 8: Effects on business from involvement with schools

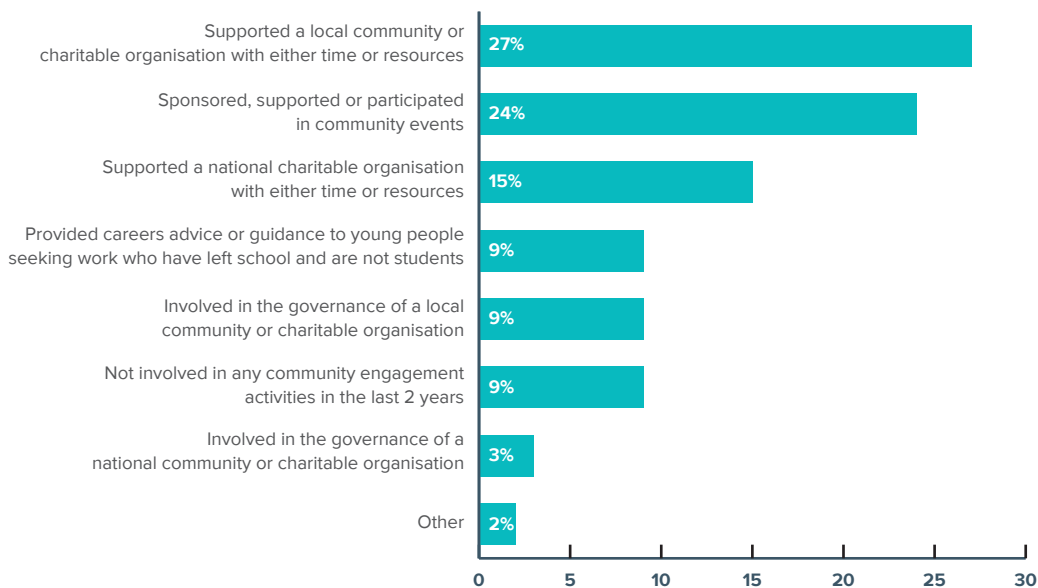


Community engagement

The social role small businesses play in their communities across the country is often overlooked. Research by the Centre for Local Economic Strategies (CLES) for FSB illustrates that they are rooted in local communities – as residents and employers.⁵³ This research sought to examine whether there was a relationship between a business’s commitment to the community and their engagement in schools.

The key message that emerged is that those active in schools are likely to see this as part of their wider engagement in local communities (Figure 9). Indeed, 91% say that they have been involved in some form of community engagement in the last two years.

Figure 9: Community engagement activity (as % of all reported)

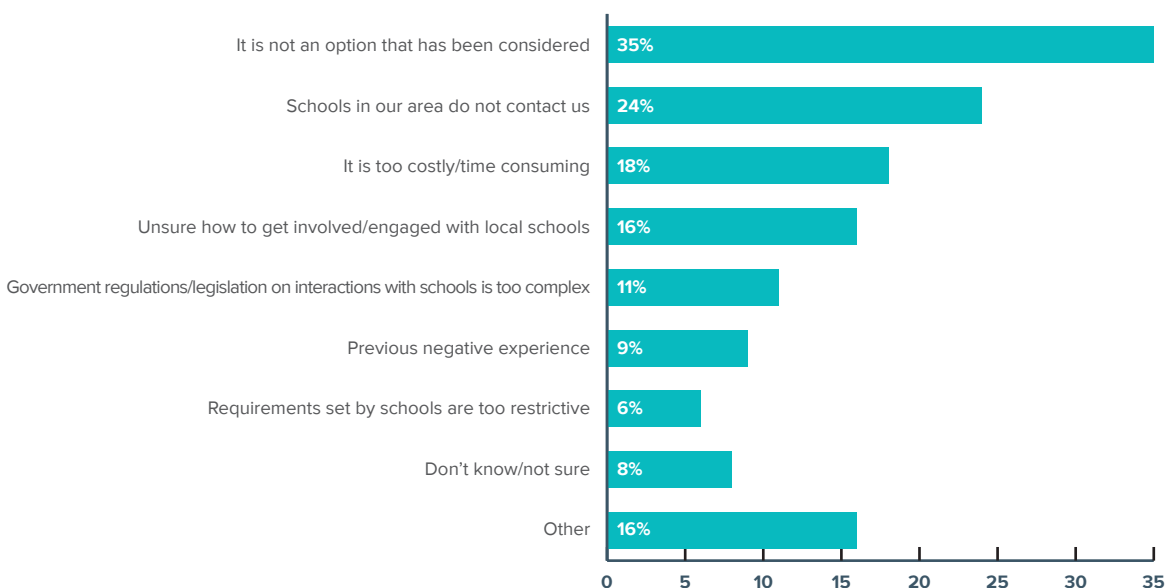


⁵³ “FSB Scotland Manifesto Research”, CLES, August 2015.

Barriers to engagement

From this research it is apparent that, as the literature review suggested, the majority of small businesses do not get involved in schools. Businesses highlighted a series of barriers and obstacles that prevent them from doing so (Figure 10). These range from the surmountable – the top reason cited was that it had not been considered (38%) – to more fundamental problems such as the scarcity of time and resources (18%) and restrictive regulation and legislation (11%). Again, as noted in the literature review, one of the biggest barriers perceived by micro businesses in particular is the time incurred by school engagement.

Figure 10: Barriers to small business engagement with schools



Evidence: Summary of themes and issues

Scale and nature of engagement

- A **quarter of small businesses had engaged** with one or more schools in the previous 2 years.
- 86% of those engaging with schools saw it as **part of a long term commitment**.
- Those engaged in schools were **involved in a wide range of activities but work experience was the dominant activity**.
- 42% had been involved **in providing direct support to teachers/schools**. Of these, over 40% had provided training, advice and support to develop the curriculum.

How businesses engaged with schools

- The **most significant trigger for contact was a teacher/head teacher contacting the business** (27%) with a smaller proportion (20%) triggered by contact from pupils.
- **Over 1 in 10 had directly contacted the school themselves** and similar proportions had been contacted by parents, had children at the school or had gone through an intermediary.
- Nearly **twice as many businesses engaged directly as engaged through an intermediary organisation**.

Motivation for engagement

- The most frequent motivation for involvement in schools was **a commitment to young people and the community**.
- The most frequently cited benefit was **improved business reputation** but nearly a fifth of those engaging with schools had employed a young person as a direct outcome.

Barriers to engagement

- The main reasons for not engaging with schools focused on the fact that the **business had not been contacted and/or that they lacked the time and resources to engage**.

Conclusions

The main conclusions which emerge from our analysis are:

- The **significance of outreach activities by schools and intermediaries** in attracting small businesses. Small firms find it hard to do this bit themselves, but once approached are keen to help.
- Engaged businesses are **involved in a wide range of activities** and work with both pupils and teachers. It is important, then, to ensure that non-engaged businesses are aware of the range of ways they can get involved.



Scaramanga, Cupar

5. SMALL BUSINESS INTERVIEWS

To get a deeper understanding of school-business engagement we carried out 40 in-depth interviews with small business owners. In this Chapter we set out the main points raised and their practical implications. Because of the more qualitative nature of this section, the results do occasionally differ from the survey findings.⁵⁴

How was your engagement with a school arranged?

Interviewees identified three main ways of forming relationships with schools. In order of significance these were:

- Building on an existing **personal contact**.
- Working through an **intermediary organisation**.
- As a result of the **school** approaching the small business directly.

Personal Contact

The interviews confirmed that, when small businesses have direct contact with schools, it is often founded on an existing personal relationship. This could be because their child attends the school, they live in a small town and/or they are a member of the Parent Council:

'It all began with a mutual dialogue between me and a technology teacher... we identified a huge gap in science and technology teaching in schools and thought up the project collectively.'

Geo-Science and Technology

'I approached the school but it came from a conversation with some teachers I know at the school. They identified a gap in understanding about careers, a lack of interview skills in particular. I said I could try to do something about that.'

Business Services

Intermediary Organisations

The second most common way highlighted by interviewees is through intermediary organisations. The most frequently referenced were councils, FSB, Career Ready, Young Enterprise Scotland, the local Chamber of Commerce and Skills Development Scotland.

Intermediaries can encourage more engagement between small businesses and schools by **simplifying** the process for small businesses:

'Recently we've been approached by Skills Development Scotland. They came to us with a list of schools who are interested in sending work experience students to us which is really helpful as it allows for planning.'

Fire and Security Detection Services

'I got involved with my local school through Young Enterprise Scotland... I have a personal contact on the board so became a member and then was linked with the school.'

Business Services

⁵⁴ Quotes from small business contacts are in italics and the nature of their business is in bold italics.

We also came across examples of intermediary organisations that were unable to support and facilitate the school-business relationship in areas such as work placements:

'We get school children referred to us by the local authority... our single biggest issue is that the officer from the Local Authority who liaises with us and the schools can be an obstacle, she just has too much on her plate which means that our referrals are put to the bottom of her pile. The demand is there but the children just aren't getting through to us.'

Education

Schools

A school approaching a small business is perceived as a universally positive process as it saves time for businesses and enables schools to build up a supply of interested firms. In terms of work experience, it is very common for the students to approach the small business rather than the school:

'Schools have approached us because they are interested in what we do. Or we have students approaching us who are interested in getting into politics or journalism. This works best because then we have students who will really enjoy their time with us.'

Business Services

Almost all of the interviewees felt that the process of approaching a school could be made easier, particularly for smaller businesses which do not have personal relationships with local schools. They suggested that small businesses do not have the resources – time and money – to find schools who are interested in business engagement:

'At the moment the process of approaching a school is very daunting to a small business. We don't know who to approach or what to ask – and we don't have the resources to figure this out.'

Business Services

The consensus was that the process of approaching schools could be made easier for small businesses. In particular, there was a common belief that providing local businesses with a **list of interested schools** would really simplify the process.

Identifying how best to help – and the support available to do this

Almost all of the interviewees suggested that it was relatively easy to identify a way in which their business could help due to the evident skills gaps of secondary school students:

'Yes it was easy [to identify a way in which the business could help] because we could see what skills the children needed to develop.'

Tourism/ Weddings

Although most small businesses find it relatively easy to identify the best way to help pupils, especially if the small business has a personal connection with the school, interviewees felt that this process could be facilitated by **improved communication between the business and the school**. In particular, it was recognised that this process could be made easier with greater advice or help, most often from the school itself:

'We helped in the best way we could with the understanding we had. But maybe we would have been able to offer more support to the pupils if we knew more about their curriculum and specific needs.'

Creative Services

Ease of organising the engagement and the support available

Most small businesses feel their engagements with schools are quite easy to organise, especially if they are approached by either an intermediary organisation or the school itself:

'No it wasn't difficult to organise. It [work experience] wasn't something I thought about before being approached [by the school] but it's all worked very smoothly. I just get the students to help me out with lots of different tasks; it's really quite helpful to me as I can't afford to employ anyone else.'

Digital and Communications

Though most small businesses conclude that their engagements with schools are quite easy to organise, again, almost all of those interviewed felt that it could be made easier with **greater guidance and support from the school**. In particular, they would like more information about the curriculum so that they can tailor their engagements to fit with the pupils needs and required learning:

'The school got the children in the right place and the right time but beyond that there wasn't much support. We had to think about how we were going to run it [mentoring sessions] and how best to help the children.'

Business Services

Interviewees would also like **more support from intermediary organisations** such as Young Enterprise Scotland, FSB and Skills Development Scotland. From these intermediaries they would like to receive some form of training to engage with school children:

'The organisation would definitely be easier if a third party organisation like Young Enterprise Scotland could provide us with more information. They do a lot already I know, but it would be great if we could have more training on how to engage with teenagers.'

Financial Services

Some businesses, however, experienced huge difficulties in the organisation and management of their engagements, particularly in the context of work experience:

'It wasn't easy to organise...The school were very welcoming to me but they didn't give me any advice. Luckily I have a background in education so have a bit of an understanding of schools and how to engage with school children.'

Business Services

Difference made by the engagement

The engagements between small businesses and schools are felt to be beneficial to both pupils and businesses in various ways. The pupils are able to develop employability skills such as CV writing, interview techniques, communication and self-confidence. According to a small farm that provides placements for children and young adults with disabilities:

'Every child here is on a journey and sometimes we can see that journey happening in front of us and sometimes this occurs in schools, but every child learns and grows from the experience.'

Agriculture/Education

The engagements are similarly felt to be beneficial to small businesses. Firstly, the engagement can **improve the performance** of the business, particularly if it takes on a work experience student. Secondly, it can **improve their local reputation** and thus indirectly improve the success of the business.

Finally, and perhaps most commonly, interviewees suggested that, in line with the findings of the survey, the motivation to engage with the schools goes way beyond pure economic or business considerations:

'I really feel like I've got something out of it. It has not led to any real financial gain but it's really nice to be able to help. It makes you feel good to give something back.'

Garden Nursery

Interviewees often referred to the **mutual benefits** of engaging with schools:

'Although the work experience is ultimately about helping the students to gain particular skills and understanding, it is also beneficial to us as an organisation. We really benefit from the input of young people. Young people communicate in an entirely different way, with the use of social media, and we've really been able to learn from that. It's much more of a two-way street.'

Business Services

Various interesting and inspiring stories also emerged from interviews. These were almost always related to work experience students, largely because pupils spend at least a week with small businesses. A selection of the stories are included below and more case studies are available on www.fsb.scot.

An interviewee who runs a small research and development business offers mentoring to students who need employment advice. The interviewee works with the students to develop detailed career plans. One student wanted to enter electronics but was worried because he thought he was not very good at maths. The interviewee supported him through his maths GCSE and he managed to get an A*. The student went on to complete an electronics apprenticeship in just 6 months and is now working full-time in an electronics company.

Another interviewee who owns a hospitality business had a work experience student who spent a few weeks at the company. At the beginning of the placement she was unsure of what she wanted to do when she left school, but by the end of the work experience period she had decided that she wanted to enter the hospitality industry. She then went to Glasgow Caledonian University to follow a hospitality course and is now the front of house manager of a five-star hotel in Glasgow.

Recommendations and advice to other small businesses

Almost all of the interviewees would recommend that other small businesses engage with schools:

'I think that as small businesses we need to talk to pupils about other pathways to employment, that they don't need to work in a big corporate company, they can be self-employed or work for a small business.'

Creative Services

However, some suggested that small businesses need to have commitment to the local community for the arrangement to work and it was important to work with willing businesses:

'You can't force it upon businesses, they have to want to get involved. If they don't there's not really any point. They have to care about giving something back to the community.'

Financial Services

Some interviewees also suggested, unsurprisingly, that it depends on the sector and/or time and financial constraints of the small business:

'It depends on the business and if they have the patience. If you are running a small business, there is only a limited amount of time and in the present economic climate there will be people who are struggling... so to be asked to take on a young person may be too much of a responsibility.'

Sale and Maintenance of Motor Vehicles

Advice to other small businesses varied greatly from business to business. However, a common suggestion was to work in partnership with schools so that engagements can be as mutually beneficial as possible:

'I think my advice would be to engage early and try to work with the school as a joint process. It shouldn't be like a contract with the business, it should be a form of partnership working.'

Business Services

Best way of encouraging more and better engagements between small businesses and schools

As discussed above, improved communication between small businesses and schools is fundamental to making business engagement work: In particular, interviewees suggested that there needs to be a more **formal relationship** between small businesses and schools:

'At the moment small business engagement with schools is very ad hoc and informal, it's about who you know and your personal contacts. This means that businesses that do not have personal relationships with local schools or teachers are immediately disadvantaged.'

Creative Services

The best way of establishing a more formal relationship between small business and schools, however, is a matter of debate. Various ideas were presented:

- Giving intermediaries more of a role in fostering relationships between small businesses and schools. (Very few, if any, had heard of regional DYW groups.)
- Encouraging schools to be more open to businesses.
- Creating a website that links interested parties with useful school contact details and potential activities.
- An online dissemination of best practice case studies.

Role of FSB

Some interviewees, unprompted, explicitly referenced FSB, suggesting that it could help form connections between small businesses and schools:

'FSB could create a template letter that businesses could adapt and then send out to local schools. Businesses should make more of an effort to approach schools... [and] a template letter would really help businesses that don't have that personal connection with a local school.'

Education

Schools

Interviewees also suggested that schools should make more of an effort to engage with small businesses, particularly in terms of organising and/or hosting **networking events**. Local businesses could attend to learn about the needs and requirements of schools and pupils:

'Schools need to have an open day for small businesses. Then small businesses can come in, meet the teachers and the pupils, and learn about the opportunities of engaging with schools.'

Digital and Communications

Online matching service

There was a common belief that an **online matching service** would be a very useful way of improving communications between small businesses and schools:

'I definitely think that some form of online database would be really helpful. It could tell small businesses which local schools are looking to get involved and what they are interested in. For us we could find local schools that are interested in journalism and politics, it would save us a lot of time.'

Business Services

Examples of good practice

It was also suggested that it would be effective to **share examples of good practice** so that small businesses could see where engagement with schools has been successful and mutually beneficial:

'I think the best way [to encourage more and better engagements between small businesses and schools] would be to get feedback from people like myself and to convey that enthusiasm to other businesses. I've done it for 10 years and have really been able to hone my approach.'

Financial Services

Some interviewees suggested that FSB could create and disseminate these case study examples:

'FSB should gather examples of where engagements have worked well. They really need to sell it... it requires a lot of investment of time and thought and this can be a reason not to do it – but FSB should demonstrate how engaging with schools can be mutually beneficial. The case studies could be a call to action.'

Creative Services

Evidence: Summary themes and issues from small business interviews

Direct contact by schools and intermediaries really helps small businesses to engage

- Direct contact by schools was seen as very positive and there appears to be significant scope for more of this. Interviewees provided a number of ways to make contacting schools easier:
 - An accessible list of schools seeking support from small businesses with contact details.
 - A place to register interest (none was aware of the SDS Our Skillsforce registration facility).
 - An opportunity to explore the range of activities which they could become involved in with a school (or intermediary).
- Once the form of support is agreed businesses seemed to find the organisation straightforward.
- Small businesses find the role of intermediaries helpful because they reduce the time and effort involved in engaging with schools.

Small businesses need more information

- There is a widespread need for more communication either directly from schools or via intermediaries. This would detail exactly what the requirements and options are and how best each business can contribute to helping teachers and pupils understand the world of work and its opportunities.

There are clear business benefits recognised by small businesses that engage

- The interviews – though self-selective – provided a very clear sense of the benefits both to businesses and to the pupil.
- Most of those interviewed would recommend engagement to other small businesses. However, they were clear that the business had to be realistic in what they could offer and ensure a genuine partnership was developed with the school.
- There were unprompted references to FSB as a key agency for promoting small business engagement in schools.



Image courtesy of Young Enterprise Scotland

6. STAKEHOLDER AND SCHOOL PERSPECTIVES

As part of the research, we discussed school-small business engagement with a range of stakeholders⁵⁵ and explored the views and experiences of local authorities, schools and public agencies.⁵⁶

Stakeholder perspectives

Discussions focused on the Developing Young Workforce (DYW) strategy, a major policy initiative that will have a significant impact on business engagement in schools. The main points are outlined below.

Importance of the engagement task

Many stakeholders stressed the significance of the business engagement task. It is seen as central to enhancing young people's learning and understanding and awareness of the world of work. The increasing competition for labour market opportunities – particularly for young people – was increasing the complexity of school-work transitions and the need for more information and support.

Others stressed the significance of business engagement as a fundamental part of creating more parity of esteem between vocational and academic pathways, while many linked it to the attainment agenda.

Small businesses were seen as able to make a real difference to the learning experience, its relevance to the world of work and the nature of opportunities in the labour market:

'Businesses can bring the curriculum to life – for example an employer showing the practical application of an understanding of acceleration.'

The important role of teachers and parents

The interviews with stakeholders again revealed the significance of teachers and the need to enhance their skills so they can deal with unfamiliar issues like business engagement, entrepreneurship and the labour market. There was also seen to be an issue with the academic focus of teachers and the lack of experience many have of the wider world of work.

The role of local authorities is central

A number of stakeholders stressed the significance of local authorities in taking forward the business engagement agenda: 'Ultimately it is their responsibility.'

School perspectives

Alongside other stakeholders, the views and experiences of those working in schools and relevant local government departments were explored to gain a practical understanding of business engagement. We heard about the benefits that good engagement can bring to pupils, schools and businesses and also about some of the challenges.

A common theme was that most respondents, when reporting innovative approaches to school-business engagement, cited examples of larger businesses. This may be associated with the lack of capacity that smaller businesses have to try out new approaches.

⁵⁵ The following organisations kindly provided their views: Scottish Government; Skills Development Scotland; Education Scotland; UK Commission for Employment and Skills; the General Teaching Council of Scotland; Young Enterprise Scotland; Forth Valley College; Career Ready; and Education and Employers Taskforce.

⁵⁶ The following schools and local authorities kindly provided their views: Angus council; Falkirk council; Western Isles council; Newlands Academy; Kinlochleven High School; and St Andrews RC Secondary.

Schools need to build a wide range of relationships with small businesses

Head teachers stressed the need to create a wide range of small business contacts:

'We have a core group of small businesses which is well established and we can build on it but the nature of small business means that sometimes they can't help. We need as many as possible so we can accommodate them as and when they can work with us.'

The importance of mutual understanding

A number of those interviewed spoke of the need to enhance their own understanding of business:

'I'm learning about working with small businesses. In my head I have 'business' but only by working with FSB have I understood the subtlety of working with small businesses... I am learning how to work more effectively.'

However, there were other comments about the need for businesses to appreciate the situation of – and demands on – schools.

'There is a hurdle that businesses see schools as not accommodating, but the other side of the coin is them telling you how busy they are. The tacit assumption is that schools are not busy – so it is all about building a personal relationship.'

The importance of qualifications

Head teachers and local authority contacts stressed the significance of providing pupils with some form of accreditation for their engagement with the world of work. One head teacher was making full use of a range of ASDAN qualifications (Award Scheme Development and Accreditation Network) which she found to be more flexible than SQA qualifications. This was underpinned by the fact that *'All my pupils have jobs in their spare time – so we make sure they use this experience to gain ASDAN qualifications.'*

Others saw Foundation Apprenticeships as an important part of the vocational pathway for some pupils. These could mix work experience with employer contributions to the curriculum, with work placements and teaching at both school and college.

The value of flexible work experience

Most respondents chose to focus their examples of strong engagement on work experience. There was a notably large variation in how work experience is set up and how this works with businesses. Nonetheless, the majority agreed that traditional one-week work experience placements were not fit for purpose and that effective placements were flexible and developed in conversation with industry.

The challenges and rewards of working in rural areas

We heard that some schools in rural areas, where there were few big businesses to engage, have been finding it increasingly difficult to provide opportunities for pupils. However, we also heard that the potential benefits of getting it right in remoter communities can lead to retaining young people after they leave school.

One respondent pointed out that pupils who had gone through their ASDAN qualification, and had a long-term work experience opportunity, had begun to really understand the range of exciting opportunities in the local area. Crucially, this was seen as a way of showing that there are opportunities for young people to live locally and have good careers. In one example, pupils had learned that small local businesses in the IT and technology market are actually working in international markets.

The need for strong school leadership

The importance of head teachers recognising the significance of business engagement in preparing pupils for the world of work was a key issue. Driving this area of work was seen as one of the most important things that a head teacher could do – it made a huge difference both to the scale of business engagement and to subsequent job opportunities for pupils:

'I gave up a Principal Teacher post to create a [business] partnership development officer who comes from working in industry – because this is a priority.'

In addition, head teachers talked about their role in ensuring a high profile for the school in the business community: joining and attending small business clubs and local business associations; ensuring that businesses understood who they were; and that schools were 'open for business.'

Their description gave the strong sense of a marketing campaign – targeting specific businesses and groups of businesses and encouraging their engagement through appealing and realistic messages: *'Can you help for a day or two a month?'* This initial 'easy' engagement can then lead to more substantial contributions.



Mitchells Dairy, Inverurie

7. MAIN MESSAGES

We have drawn on our extensive research and interviews with businesses, stakeholders and schools to identify key issues to enhance the scale and range of engagements between schools and small businesses.

The benefits of school-small business engagement are clear

Engaged businesses and schools are clear about the benefits of engagement between small businesses and schools. The main benefits for pupils are seen as:

- Helping them gain insights into the world of work, career choices and entrepreneurship. This is therefore about increasing awareness of the different types and sizes of business, the demands and disciplines of work and the habits and behaviours which can help young people thrive in employment.
- Helping them gain a better sense of the range of opportunities in the labour market to improve the quality of the match between their interests, aptitudes and aspirations and the opportunities available. This will enhance the sustainability of employment and progression in work.
- Helping teachers gain a better sense of what employers are looking for, informing both the content of the curriculum and how it is delivered, and thus helping young people get into and thrive in work.

Schools need to engage with small businesses

- Small businesses employ almost a million people in Scotland. They contribute significantly in terms of new job creation and also provide a wide range of opportunities through the replacement of those leaving, being promoted or retiring. As a key part of the job market, it is important for young people to understand the opportunities they offer and the distinctive nature of workplaces in small businesses.
- The experience of working in a small business differs greatly from the experience in a larger employer. Most employees are asked to fulfil a number of roles and to behave in a highly flexible and responsive way according to customer and business needs. In addition, particularly in micro businesses, each employee is a significant part of the total workforce and what they do – and how they do it – has a bigger impact on the business. This means that a well-managed experience of small business work can provide pupils with exposure to a wide range of tasks, roles and responsibilities.
- EU research shows that smaller businesses tend to ‘over employ’ older people and ‘under-employ’ young people. Most analyses relate this to the perception of small business owners of the higher risk involved in recruiting relatively inexperienced young people. However, recent projects in Scotland to provide specialist HR support to micro-businesses show that these perceptions can be changed with the right support. Our review of research has highlighted evidence that small businesses were more likely to recruit young people who had work experience in other small businesses.
- Small businesses provide a wide range of opportunities in some of the fastest growing sectors because many of the most innovative and dynamic businesses are small – games companies are one example of this in Scotland where most of the opportunities available are in relatively small companies.
- However, it is clear from our work that, while small businesses are important partners for schools, larger businesses are as well. This is not ‘either/or’ – it is about ensuring that the significance of small businesses as employers (and small business start-ups as a possible aspiration) are recognised in constructing a rounded array of insights and experiences for young people.

Engaging with schools is good for business

Small businesses have a keen sense of being part of their community and their engagement with schools is a key part of this perspective. This is reinforced by the fact that many small business owners and their staff are the parents of pupils and recognise that they can equip them for work in an increasingly dynamic, competitive labour market.

These altruistic and community minded benefits play a strong part in the motivation of small businesses to devote time and energy to engagement. But some tangible business benefits were also highlighted in terms of enhanced business reputation and the contribution made by pupils to the business.

School-small business engagement is tough work

A recurring theme across our work has been that engagement between smaller businesses and schools is harder than engagement with large businesses – for both businesses and schools. Schools need to make many more contacts and form more relationships to gain the same volume of outcomes, while the time commitment required of small business leaders represents a much greater proportion of total time available than for larger businesses.

What our research shows is that most small businesses recognise the value of what they do in engaging with schools, teachers and pupils: they enhance their own local reputation, help local young people and can gain some direct business benefits. However, this recognition is not shared by the majority of small businesses who are not engaged in schools.

Young people benefit most from a series of meaningful engagements

Although this is not an issue that is specific to small businesses, the practical implications are. The evidence is clear that the overall benefit to a young person of engagement with business increases with the number and range of meaningful engagements. For a single small business to provide this range and variety would be at best demanding. This, like other findings, points to the need for ‘mixing and matching’ of experiences, businesses and pupils.

Pupils and their needs differ. They will respond to and learn from different forms of engagements and experiences. It is important to ensure that a careful match is made between the type of engagement – and the series of engagements – and the needs of each pupil.

It is therefore as important to disaggregate the pupil group as it is to disaggregate the population of businesses. Some intermediaries base their approach on this careful disaggregation. For instance, Career Ready does not target the high fliers or those who are disengaged, but rather those in the middle who can most immediately benefit from engagement with the world of work.

The other aspect of the match is to do with the gaining of qualifications, where pupils gain some form of ‘passport’ to work as a result of working alongside a small business. One head teacher was making extensive use of ASDAN qualifications as they were found to be well designed and straightforward to use with small businesses.

To maximise engagement, small businesses need to understand the range of ways they can contribute

Although many of the businesses in the research were involved in a wide range of activities, it is clear that the wider small business community has a limited awareness of the ways they can help schools and their pupils. The full range of activities is much wider and includes:

- One to one mentoring support.
- CV advice and mock job interviews.
- Site visits at workplaces.
- School visits to talk about careers.

- Contribution to delivery of a lesson.
- Contribution to the success of a national opportunity or initiative (such as Apps for Good).
- Sponsoring, supporting or participating in enterprise competitions.
- Work experience.
- Designing/setting course work for students.
- Training or advising teachers about the practical application of learning in curriculum areas.
- Training or advice to teachers/career advisors about careers and the world of work.
- Advice to head teacher or Parent Council.

Successful schools pursue a strong marketing approach to engage small businesses

Head teachers need to be highly visible in the small business community if their school is to benefit fully from private sector input. The most successful display common approaches such as:

- They make sure there is a high awareness of their school's enthusiasm for working with small businesses and the mutual benefits that can flow from this.
- They have a clear sense of how to make the offer appealing and practical and how to build on this initial commitment.
- They make sure that businesses are clear about how to approach their school and that the response is quick and welcoming.

Parents are a vital resource for schools and small businesses

The role of parents is critical to successful partnership working between schools and businesses:

- Parents are small business owners and employees and can provide a direct link.
- Parents have wider networks of small business contacts and can play an intermediary role between businesses and schools.
- Parental awareness of the value of engagement with small businesses is important and will help them provide the appropriate support to their children at school.
- Parents are important influencers of young people and will shape their views and perspectives on small businesses as prospective employers.

Geography affects school-small business engagement

The rural economy is overwhelmingly made up of small businesses. Naturally, the approach that rural schools take to engagement needs to take this into account. In practice this means devoting more time to attracting a range of small businesses and ensuring that pupils can gain insights into the different opportunities that larger businesses can provide.

In the most rural and remote areas the choice of local businesses may be limited even within the small business sector. Therefore, there is a need to spend more time on business engagement to create the volume and range of activities to help their pupils. It also highlights the specific issue of whether a local lack of 'live' engagement can be supported by online resources.

Schools in more deprived communities also face particular challenges. Generally, these areas have fewer parents in employment or running small businesses. Thus, school leaders and teachers need to work across a much wider area to gather the engagements they need.

It must be easier to comply with the regulations

There are a range of regulatory requirements that schools need to meet before engagement can happen. Although there is a clear acceptance of the need for proportionate regulation, there is also frustration expressed by businesses about the cumbersome nature of the system and the poor customer experience.

APPENDIX 1

Practical implications for DYW Regional Groups and Local Authorities

The guidance for employers on School/Employer Partnerships⁵⁷ sets out approaches that DYW Regional Groups should consider in working with local authorities and SDS to develop school/employer partnerships.

In the table below, we set out the specific practical implications of our findings and conclusions for this guidance – specifically in terms of developing partnerships with small businesses.

Approaches	Practical implications of our report
Develop a register of employers in the region who wish to work in a long term partnership with schools and can offer a range of opportunities	<p>It will be important to target those small businesses which have not expressed an interest and may not know of the opportunity provided by the Developing Young Workforce agenda.</p> <p>Most small businesses will not be able to offer a range of opportunities. It will be important to build a wide range of business partners to provide a range of different experiences and opportunities.</p> <p>Successful long term partnerships with small businesses tend to start with short term arrangements which work and create mutual benefit. Expecting a long term partnership from the start will put off many small businesses.</p>
Work with the local authority and SDS to streamline processes and support for employers around involvement with schools	It is small employers who will require the most help to get in touch and start working with schools.
Support individual employers to collaborate with schools	As above.
Work with the local authorities in ensuring that schools understand the benefits of partnership working with employers	<p>Schools need to appreciate the value of the mix of employer partnerships reflecting local (and wider) employer requirements – hence the need to reach out to employers large and small.</p> <p>In particular, school leaders need to be aware of the need to be active and have a strong presence in local business networks.</p>
Work with local authorities to develop an approach/ template which can be used as the basis for scoping and agreeing the detail of partnerships between schools and employers	There is a need to ensure that the approach/ template is related to the different abilities of different sizes of business –in particular that there are specific approaches/templates appropriate to the abilities and capacities of small businesses.

⁵⁷ "Developing the Young Workforce: School/Employer Partnerships. Guidance for DWY regional groups and local authorities", Education Scotland, September 2015.

APPENDIX 2

Glossary

Commission for Developing Scotland's Young Workforce

An independent commission set up by the Scottish Government to review vocational education and youth employment. The commission published two reports and is also known as the Wood Commission because it was led by Sir Ian Wood.

Career Ready

A UK-wide charity linking employers with schools and colleges.

Curriculum for Excellence (CfE)

The national curriculum for Scottish schools that covers young people aged 3-18.

Developing the Young Workforce (DYW)

'Developing the Young Workforce - Scotland's Youth Employment Strategy' sets out the Scottish Government's response to the Wood Commission.

Developing Young Workforce (DYW) Regional Groups

A network of employer-led groups established following the Scottish Government's DYW strategy. They are overseen by a national group chaired by Rob Woodward. FSB is represented on the group.

Education Scotland

The national body supporting quality and improvement in Scottish education.

My World of Work

A website managed by Skills Development Scotland that provides careers guidance for young people.

Our Skillsforce

A website managed by Skills Development Scotland that provides skills related support for business.

Skills Development Scotland (SDS)

The national skills body supporting people and businesses to develop and apply their skills.

UK Commission for Employment and Skills (UKCES)

A publicly funded, industry-led organisation that offers guidance on skills and employment issues in the UK.

Young Enterprise Scotland

A Scottish charity that aims to inspire and equip young people to learn and succeed through enterprise. It is also FSB's official charity in Scotland.

APPENDIX 3: TEMPLATE LETTER

Date

Name

Business Name

Address 1

Address 2

Address 3

Postcode

Dear [Name]

I am writing to you as a small business owner who is interested in getting involved in helping prepare the young people in your school for the world of work. I run a [INSERT] business and would be happy to share my experience of business and career opportunities.

I am told that the benefits to young people, in terms of career destinations and future earnings potential, of meaningful engagement with businesses during their school career are significant.

At the moment, however, I have limited knowledge of what opportunities for engagement exist or how much time would be required. Therefore, I would welcome any advice and support you could share on how best to proceed.

I look forward to hearing from you and would be happy to discuss how we could both benefit from working together.

Yours sincerely,

[Name]

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