

YOUNG 
enterprise

YOUNG ENTERPRISE
COMPANY PROGRAMME 2015-16
IMPACT REPORT

HSBC 

FOREWORD

Young Enterprise (YE) is the UK's leading charity that empowers young people to harness and develop their personal and business skills. We work directly with young people, their teachers and parents, businesses and influencers to build a successful and sustainable future for all young people and society at large.

Our research shows that while academic achievement is important, employability skills and attitudes are just as vital, and our findings from this year's evaluation show that our Company Programme enables students to develop these skills.

For the first time this year, Young Enterprise used a control group to compare the Company Programme participants' results with a similar group of young people who did not take part. This new enhanced study shows persistent higher score gains across all employability competencies for the Company Programme group compared to the control group.

Furthermore, a longitudinal study of Company Programme alumni has shown that in the two years following their company's closure, 95% are in education, employment or training [EET] – 7% higher than the national rate of 88%¹.

The results in this year's evaluation add to a growing body of evidence that young people who participate in the Company Programme build important skills and attitudes that are highly relevant for a successful future.

Michael Mercieca
Chief Executive



As always, I have found being a Business Adviser rewarding when seeing the development of young people in understanding the business world and how a company works.

Business Adviser, South East

Our vision

We believe that young people should be given the best chance for a rewarding future in work and life – no matter where they start their journey.



Our mission

We believe that the potential of the UK's young people is unlimited, and an academic education on its own is not enough. Our mission is to empower young people to discover, develop and celebrate their skills and potential.

Young Enterprise works directly with young people, their teachers and parents, businesses and influencers to build a successful and sustainable future for all young people and for society at large. Through our hands-on employability and financial education programmes, resources and teacher training we want to eradicate youth unemployment, help young people realise their potential beyond education and empower a generation to learn, to work and to live.

¹ The Office of National Statistics NEET [not in education, employment or training] data – covering the period Jan-Mar 2016 – indicates that 12% [865,000] of young people aged 16 to 24 are NEET.

INTRODUCTION

The annual CBI survey² which investigates employers' employability and skills needs, shows that over half of businesses (56%) are not satisfied with school leavers' skills, listing communication, self-management and data analysis as the most lacking. Soft skills are expected to grow in value to the UK Economy to £109bn by 2020, and are often cited by young people and employers as the main barrier to employability. YE provides young people with the opportunity to develop key employability skills but also raise self-awareness of their own capabilities.

With education and skills being fundamental to the accumulation of human capital and ability to improve standards of living, YE's learning-by-doing approach aims to enable young people to effectively navigate a post-statutory education journey through acquiring and developing relevant skills.

Our research shows that in the two years following Company completion, 95% of alumni are EET – this is 7% higher than the Office of National Statistics' [ONS] equivalent figure of 88%³. Furthermore, our pilot control group study shows persistent higher gains across all employability competencies for Company participants compared to the control group; this is especially noticeable for communication, confidence and resilience.

In light of the effectiveness of the learning-by-doing enterprise education model, and the desire to increase impact by engaging the 'harder to reach', YE's 2015-19 Unlocking Potential strategy focuses on engagement in the 30% most deprived areas using the 2015 Index of Multiple Deprivation; thereby contributing to the enhancement of social mobility in areas of relative need.

Company Programme

Company Programme empowers young people aged 15-19 to set up and run a real business over an academic year. Young people make all the decisions about their business, from deciding on the company name and product, to creating a business plan, managing their finances and selling their products to the public at trade fairs. Participants gain practical business experience and key skills, as well as an understanding of how these skills can be applied to everyday life and help them succeed in the world of work. Learning by doing – which is at the heart of good teaching and learning practice – can motivate students to think beyond their immediate experiences, encouraging them to consider a broader and more ambitious range of future education, career and life options.

Young people are also supported by a volunteer business adviser who brings a plethora of business knowledge and industry related expertise, enabling young people to consider new opportunities and make more informed choices, preparing them for life beyond education.



² CBI/Pearson, The 2016 Education and Skills Survey: The Right Combination (2016).

³ Being NEET represents a high and long-lasting cost to individuals and society; Financial estimates put the cost of loss of earnings for individuals who had NEET periods at £50,000 over a working life; it also estimates the NEET cost in terms of loss of taxes, additional public service cost and associated poor health and youth crime in excess of £77 billion per year. Make NEETs History in 2014 (Impetus-PEF, 2014).

KEY FINDINGS

95% felt they have improved at least one employability competency including self-esteem, problem solving and resilience



Work readiness, aspiration and communication saw the greatest average score increase⁴



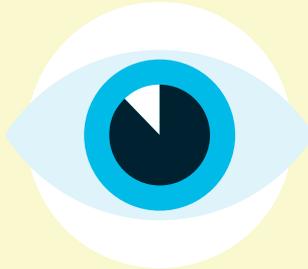
84% of young people rate their experience with Young Enterprise as very good to good



89% of young people would recommend Company to their friends and family



88% of teachers agree that Company has increased self-awareness in participants' own capabilities and potential



88% of teachers agree that Company has raised awareness of young people's own strengths and weaknesses



95% of teachers would recommend the Programme to others



72% of business advisers agree that Company has increased resilience in their students

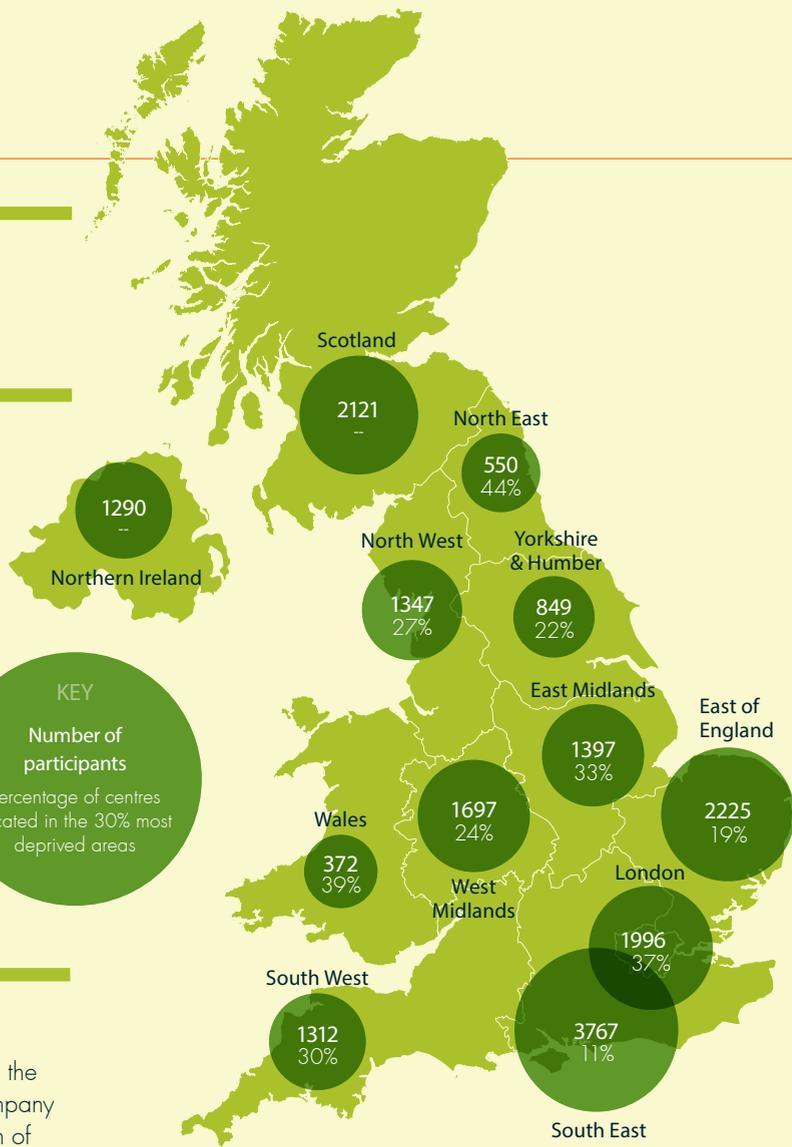


⁴ All statistically significant at the 95% confidence level.

18,923 young people and 1,098 centres took part in Company Programme

1,568 companies created

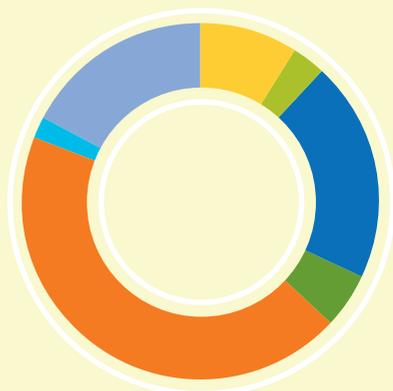
KEY
 Number of participants
 Percentage of centres located in the 30% most deprived areas



Engagement across regions and deprived areas

Over 1,000 centres across the UK have taken part in Company with an average per region of 29% located in the 30% most deprived areas⁵

Centre Type:
 1,098 unique centres



- 9% Academy
- 3% Further Education College
- 20% Independent
- 5% Secondary School – Grammar
- 44% Secondary School – State
- 2% Sixth Form College
- 17% Other

⁵ To map 2015-16 Company engagement, YE used the Index of Multiple Deprivation (2015) for England and Wales only. Note, the percentages of Company centres do not include independent schools.

METHODOLOGY

Data was collected from all Company participants: young people, teachers and business volunteers, using an electronic pre- and post- self-assessment accessible through the YE Online portal.

Data for the young people comparison group was collected via Survey Monkey pre- and post- questionnaires with both data capturing points synchronized for both groups.

Employability competencies were tested through a series of task-oriented questions, each linked to a specific skill. The first eight represent the core employability competencies with the following four representing personal development competencies. All are part of Young Enterprise's Employability Competencies Framework and students were asked to self-assess on a seven-point scale⁶.

Finally, the data analysis for Company participants applied a paired t-test approach while the analysis between the Company and comparison groups applied a difference of differences approach.

Core Employability Skills



Communication

The ability to listen, write and speak effectively to present and exchange information and ideas in a clear and concise manner



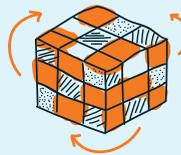
Organisation

The ability to effectively manage tasks, plan and prioritise actions within a time schedule and set smart goals



Confidence

The self-motivation and ability to generate and retain strong self-belief in personal skills, capabilities and likelihood of success



Problem solving

The ability to collect and examine information, think creatively and analyse situations to generate solutions to problems



Financial capability

The ability to analyse financial information, manage money well, and make informed decisions to plan for successful financial futures



Resilience

The ability to persist when facing setbacks whilst adjusting to pressure and adapting to changes in varying circumstances



Initiative

The ability to take decisions, evaluate and calculate risks, and do more than is required in the pursuit of successful outcomes



Teamwork

The ability to build team engagement, collaborate, share knowledge and explain ideas to others whilst managing personal feelings

⁶ 1 being equivalent to 'definitely does not apply to me' and 7 to 'definitely does apply to me'.

METHODOLOGY CONTINUED

Upon completion of the programme, young people were also asked to indicate their degree of agreement with statements linked to career aspirations and entrepreneurial intentions using a five-point likert scale.

Teachers were asked to rate their students' skills development and future aspirations at the beginning of the academic year with the same questions asked at the end of the programme. Our aim being to corroborate young people's findings with teachers' results.

In total, **3,209** young people and **168** teachers completed both the online pre- and post- self-assessments. **82** business advisers completed the post-only self-assessment questionnaire⁷. The comparison group for young people is composed of **96** non-Company Programme participants.

Personal Development Competencies

Self-esteem

The perception of one's own worth and belief in own ability to succeed



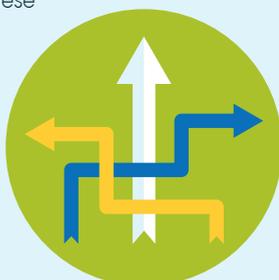
Aspirations

The ability to define realistic goals for the future and define a path linking life choices to these goals



Career intentions

The ability to formulate realistic career goals and make informed decisions on how to achieve these



Work readiness

The application of employability skills to search for employment and effectively present oneself to employers



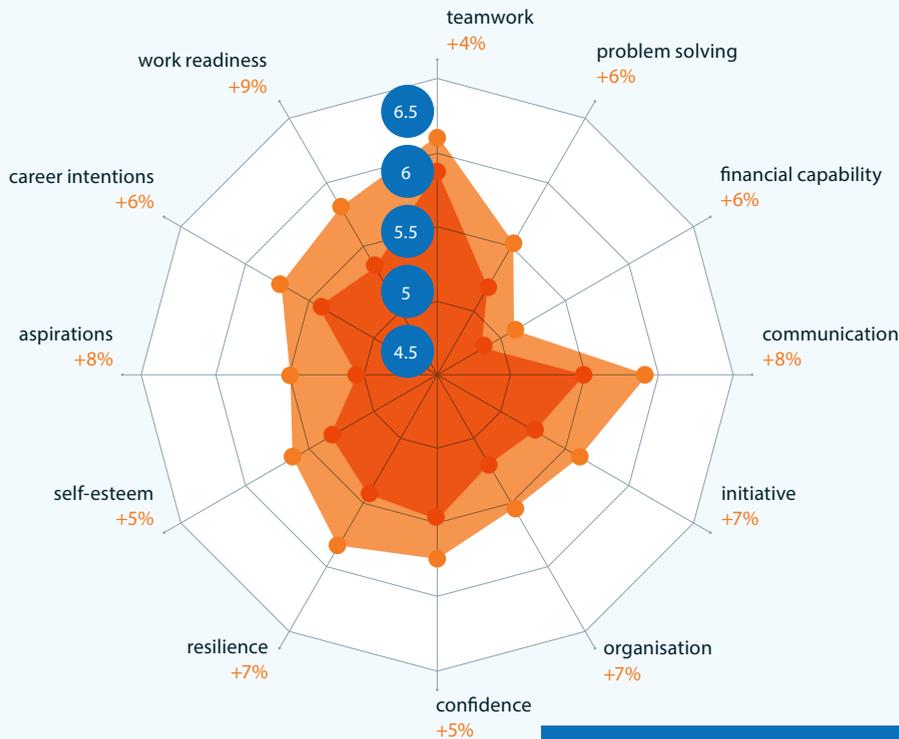
⁷ Business advisers take part in a post-only online questionnaire as opposed to teachers and young people who take part in a pre- and post-.

FINDINGS

1 EMPLOYABILITY

95% of young people reported progression of at least one employability competency, with the biggest increases in work readiness, communication and aspirations – the average pre- and post- percentage increase is 7% across all competencies. Figure 1 illustrates distances travelled as the average percentage increase in pre- and post- scores across all competencies.

Figure 1
Young people's employability competencies progression⁸



Pre
Post

“

The Company Programme has been a priceless and life changing experience. The programme has taught me so many things that a classroom never could, such as the importance of network, communication skills with the public and about taking calculated risks

Student, Yorkshire & Humber

⁸ Indicated that the increase in rating is statistically significant at the 95% confidence interval.

FINDINGS CONTINUED

2

CONTROL GROUP

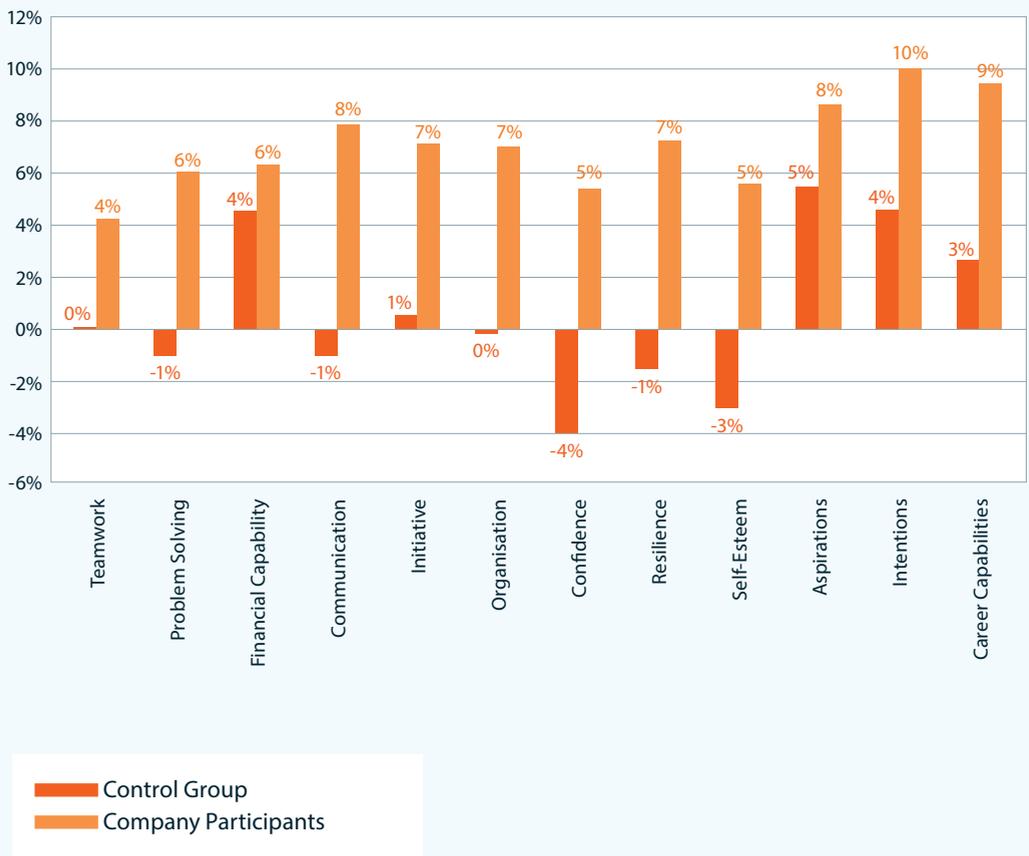
Evaluation shows that when comparing distances travelled with the control group, Company participants exhibit higher score differences across all competencies. This is particularly noticeable with communication, confidence and resilience where young people in the comparison group show a regression in scores. Figure 2 shows differences in pre-/post scores for all competencies across the control group and Company participants.

“

Overall it was an enjoyable and insightful experience. I have learnt skills such as time management and resilience which I can transfer to all aspects of my life.

Student, West Midlands

Figure 2
Percentage differences in competencies gains



FINDINGS CONTINUED

3

PERSONAL DEVELOPMENT

A key aspect of the Programme is self-reflection. Students are presented with an opportunity to understand their strengths, weaknesses and improve their skills in an environment away from the classroom. Testing personal development across four dimensions – self-esteem, aspirations, career intentions and work readiness – allows us to gain an insight into young people’s growth in these areas over the course of Company.

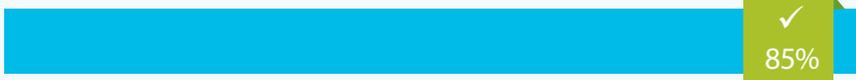
Findings show that **85% of respondents felt that the programme helped them to learn about their strengths and weaknesses** while two thirds reported that as a result of Company, they feel ready for the world of work.

Figure 3
The Company Programme has helped me to...

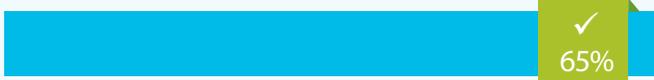
understand the skills needed to fulfil various roles and responsibilities



learn about my strengths and weaknesses and what I need to work on



feel ready for the world of work



“

Young Enterprise is definitely a worthwhile experience for pupils. Our school is located in a deprived area and pupils gained confidence in themselves as they progressed through the year.

Teacher, Scotland



FINDINGS CONTINUED

Teachers consolidate these findings with **88%** agreeing that it increased self-awareness in participants' own capabilities and potential and **88%** agreeing that Company has raised awareness of students' own strengths and weaknesses. Figure 4 summarises teachers' perceptions of their students' personal development.

“

Despite several setbacks, the group have persevered with the project and because of this, have developed resilience and resourcefulness, which will stand them in good stead for the future.

Teacher, South East

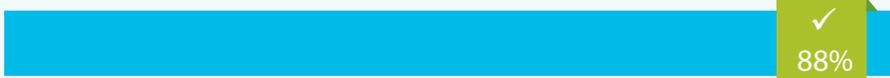
Figure 4

Company has contributed to students' personal development by...

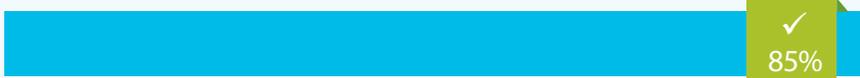
increasing self-awareness in own capabilities and potential



raising awareness of own strengths and weaknesses



improving students' employability skills



raising career aspirations



“

A fantastic programme. I remain committed to running it – not only does it provide good outcomes for the students that take part, but it raises awareness of enterprise throughout the school and our Company Programme team showcase enterprise to the younger ones.

Teacher, East of England

FINDINGS CONTINUED

4

CAREER CHOICES

The immersive experience of Company Programme provides young people with a work-related experience that enables them to gain an increased awareness of company roles and thereby gain insight into their own career management i.e. preparing for employability by identifying the skills and qualities employers are looking for, showing initiative and expressing role and industry preferences. Post-participation questions asked young people to indicate to what extent they believe the programme has enabled them to define their career choices and their post-statutory education options.

86% reported that they understand what it takes to set up and run their own business, while just under half of young people (43%) reported that as a result of Company, they would consider self-employment as a career.

“

I have learnt what it takes to part take in running an actual business. I have also learnt what working in different sections of a business takes and the skills required.

Student, East of England

“

I think Young Enterprise has been a very rewarding experience and has helped me to learn more about what it takes to set up a business and work as a team.

Student, North West

“

The Company programme has given me a lot of skills and confidence. I would definitely consider a career of being self-employed in the future because of how much I have enjoyed being Managing Director of our YE company. I have learnt far more from doing the Company Programme than I thought I would at the start of the year.

Student, East Midlands

CONCLUSION

Our findings show that young people benefit greatly from taking part in the Young Enterprise Company Programme, with statistically significant increases across all employability competencies. This is further corroborated by our findings of the control group study where Company participants reported persistently higher gains in competency rating scores in comparison with their peers in the control group who did not partake in the Company Programme.

The Company Programme inspires students to think beyond their immediate experiences by supporting the development and self-awareness of one's own employability skills with the wider aim of unlocking young people's potential. The learning-by-doing experience gives young people the opportunity to showcase their skills as well as develop new ones along the way by providing a platform where they can set up and run their own business.

Youth unemployment has the potential to scar an individual's life chances well into adult life, with research showing that those unemployed at a young age will spend on average an additional two months per year out of work between the ages of 26 and 29 than they would have had if they had a more complete work history⁹. Young Enterprise recognises the value of employability skills as key in enabling young people to secure education, employment or training destinations and therefore, as a contributor in social mobility. By increasing our engagement in the most deprived areas, we hope to inspire more students to develop their skills and be exposed to a broader career horizon for the future.

For further information about our evaluation please contact evaluation@y-e.org.uk

To find out more about our Company and other secondary programmes, please visit www.young-enterprise.org.uk/secondary or email info@y-e.org.uk



⁹ The Work Foundation, Short-term crisis – long-term problem? Addressing the youth employment challenge (2012)

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