

UK employment

UK employers look to hire school leavers as skills shortage bites

Employers opt to train their own staff as government's further education expansion falls short



Some 23 per cent of companies surveyed plan to “rebalance” hiring from university or college leavers to young people who have only school-level education © Dreamstime

Bethan Staton in London 7 HOURS AGO

Hundreds of UK employers are planning to shift their recruitment away from graduates to school leavers, as companies seek to diversify their hiring streams in the face of [skills shortages](#).

Some 23 per cent of companies surveyed by the Institute of Student Employers, which supports graduate recruiters, plan to “rebalance” hiring from university or college leavers to young people who have only school-level education.

The figures come as the government seeks to respond to the continuing national skills shortage by [steering students away from universities](#) and towards further education, through shorter courses in colleges or apprenticeships, which are less costly to the Treasury.

Yet companies and trade bodies say they have seen little progress in long-running government attempts to boost skills and were turning to less traditional hiring schemes to access new talent and train workers themselves.

“It’s very much driven by the fact there’s a real shortage of people with the right skills,” said Antony Walker, deputy chief executive of trade body techUK. “Companies are increasingly asking what we can do to open up a wider set of routes.”

He added that rather than foregoing graduate recruitment, employers were diversifying their channels into early-career employment as government efforts to expand further education failed to match the scale of the challenge.

Stephen Isherwood, head of the Institute of Student Employers, said the shift to school-leaver recruitment was driven in part by the [introduction of the apprenticeship levy](#), a 0.5 per cent cut on employers’ wage bills used to fund apprenticeships. Because employers are obliged to pay the levy they have been forced to take creative approaches to spending it.

But Isherwood added the shift was also driven by a need for more specific skills than are being provided by a graduate labour market focused on “generic” university education rather than vocational training.

After the pandemic disrupted the graduate hiring round in 2020, competition for graduate jobs rose 17 per cent in 2021 compared to the previous year, to a record high of 91 applications for each available post, according to ISE.

Among the positions advertised for school leavers, however, there were 67 applications per vacancy. Hiring from this group grew 14 per cent in 2021 after remaining stable throughout the Covid crisis.

Grant Thornton, an accountancy and consultancy firm, said school leavers made up 10-15 per cent of their trainee intake in 2011. In recent years, that has nearly doubled, and by 2022 the company hopes to increase the proportion again to 40 per cent.

Richard Waite, head of resourcing and global mobility, said there were a “number of reasons” for the expansion. “We’re really committed to building diverse cohorts of trainees for the organisation and by tapping schools and colleges we’re able to tap into more diverse talent streams,” he said.

To qualify as professional business advisers in audit tax and advisory, for example, 18-year-olds must complete a five-year programme to gain a professional qualification. School leavers on the course must undergo more training than their graduate peers but end up with the same qualifications.

In the technology sector, the gap between the needs of employers and skills of workers is particularly profound. Data compiled by job search engine Adzuna shows there have been more than 100,000 tech vacancies posted on their website every week in the past 12 months.

Recruitment of school leavers could also be driven by difficulties finding suitable graduates. Graduate vacancies increased by 20 per cent compared to 2019, according to separate figures released by ISE, and nearly one in five employers reported the quality of graduates had dropped.

Lisa Rose, national human resources lead at Accenture, a professional services company, said in the context of the UK's "well-documented skills shortage" technology was "accelerating faster than the pipeline of people . . . available to fill the gaps".

The company said recruiting school leavers as apprentices would help it "access a wider and more diverse pool of talent" in its drive to create 3,000 technology jobs in the next three years.

At Fujitsu, a multinational tech company, head of talent Nick White said the need for workers with a strong command of specific skills mean school leaver recruitment was focused on the "more technical" side of the business.

"If you wanna learn how to code you just need to learn how to code," he said. "You need to make mistakes, get in among it and work with other like-minded people."

The company traditionally recruited up to 100 graduates a year but, after a switch of strategy, half that number are now degree apprentices — taken by school leavers which result in a degree-level qualification. But White says there is still demand for graduates.

"What graduates will often learn is, yes, a degree of critical thinking by an academic route, but they've also lived in shared houses, they've had to problem solve around dealing with other people in a safe environment," he said.

The Department for Education said apprenticeships were a "fantastic way for people of all ages to develop skills they needed to progress in careers", and said employers would be eligible for a £3,000 incentive to employ apprentices until 31 January 2022.

"Tackling the skills gaps so that employers have access to the workforce they need for the future remains at the heart of our reforms to education and training and our Skills Bill."