

Business in Parliament Conference (BIPC) 2025

Federation of Small Businesses (Scotland), Institute of Directors (Scotland), and Youth Enterprise Scotland (YES)

Workshop 5 - Today's young people, tomorrow's workforce

Aim

To discuss two key concepts: what young people from Generation Z are looking for in an employer, and in turn, what employers are looking for in an employee. To look at current examples of good practice in aligning what each is looking for, and how businesses can be supported to integrate young people into their workforces.

Overview

The panel will comprise both employers and young people, to capture the different experiences of the groups affected by the issue being discussed.

On the employer side, the discussion will benefit from advice from HR expert, Edward Obi (Director, HR Hub Plus/Peridot Recruit Ltd), and Sara Cook, Head of Operations at Get the Gen, a leading social enterprise who support both employers and young people in the recruitment, retention and development of a multigenerational workforce.

From the educational for life skills and young people point of view we will be presenting what the organisers believe is the best route to employability, financial capability, and life skills learning. This will combine a young person's journey to employment and how they got there with the stated approach.

Introduction

Young people entering the workforce today are classed as Generation Z (Gen Z), born in the period between 1996 and 2012¹.

Research has shown that Gen Z differ from previous generations on a number of issues, and the COVID-19 pandemic has had a particular impact on not only their ability to enter the workplace (disrupted education, missed opportunities for work experience) but their expectations around the support required from an employer. For example, even before the pandemic, those from Gen Z were more likely to experience higher levels of anxiety and depression, and therefore have higher expectations in terms of mental health support in the workplace.²

Another key differing characteristic of Gen Z is their perception of the power dynamic between employee and employer. Unlike previous generations, the concept of working

¹<https://www.pewresearch.org/short-reads/2019/01/17/where-millennials-end-and-generation-z-begins/>

² <https://www.hays.co.uk/market-insights/article/what-employers-need-to-know-about-gen-z>

inflexibly and for an employer which doesn't have a 'purpose' is largely alien to Gen Z. The World Economic Forum talks about younger workers wanting autonomy and flexibility, and a sense of belonging, with a company and colleagues that share common values, with the proviso that "for this new generation, it is not enough for their employers to simply have a compelling purpose. They want to see purpose lived out authentically through bold actions."³

Context

A key barrier is the differing expectations of younger employers and those employing them. As discussed, Gen Z has different attitudes to work than older generations (Baby boomers/Gen X/Millennials), and their current and future employers are most likely to be from one of these generations. This can lead to clashes around differences in approach to interviews and behaviour in an office environment, for example.

Recruitment is an ongoing issue faced by Scotland's small businesses. FSB Scotland's 2023 survey⁴ found that respondents were evenly split on the issue of whether or not they had had enough staff to meet their business needs over the past year. Almost a third of small businesses who felt a lack of staff had had an impact on how their business operates had had to reduce the range of services they offer as a result. Over two fifths of respondents did not feel confident that they would be able to employ enough appropriately skilled staff if required that year, and over half of businesses were finding an absence of available local workers was affecting their ability to recruit/retain the staff they need.

The survey also looked at small businesses' experience of recruiting young people and apprentices. Nearly three quarters of respondents said they did not engage with schools/colleges/universities with regards to careers and recruitment, and four fifths did not (and had not previously) employ an apprentice. Of those businesses who had never offered an apprenticeship, two fifths had not done so due to not having the financial resources to do so.

Of those who had employed an apprentice, over three fifths found it to be a positive experience. However, other respondents expressed disappointment in the work ethic and attitudes of the apprentices they took on.

IoD Scotland's 2024 State of the Nation Annual Director's Survey⁵ corresponds with FSB's findings.

36% of respondents did not feel that they had the right number of skilled people for current jobs and 32% stated that they felt that they would be unable to attract the right people for the vacancies that they knew they would have over the next 12-18 months.

The results were further similar when it came to apprenticeships: Whilst a good proportion of respondents worked at organisations that supported apprenticeships (46%), 67% of respondents were unsure or critical of the value for money from paying the apprenticeship levy.

Current Policy Position

³ <https://www.weforum.org/stories/2020/01/millennial-gen-z-talent-workplace-leadership/>

⁴ <https://www.fsb.org.uk/resources-page/big-small-business-survey.html>

⁵ <https://www.iod.com/locations/scotland/news/iod-scotland-survey-82-of-scottish-business-leaders-concerned-over-tax-divergence-with-rest-of-uk/>

The Scottish Government states that it remains committed to an all-age careers information advice and guidance offer that supports people to progress rewarding careers. Ministers have set out their intentions for the current offering to be improved, to ensure that this better meets the needs of learners and is, as Withers put it “fit for the future”⁶.

This year’s Programme for Government⁷ included an action to “Improve careers support so that there is better information on career choices, including potential job prospects and earnings, and connecting students, schools, and employers”. There is also a Post-16 Education and Skills Reform Programme underway.

This includes engaging with young people and those supporting their choices to set out clearly the skills and capabilities that employers are seeking. It also includes providing opportunities for young people to experience the world of work including – but not only - via Developing the Young Workforce (DYW).

The DYW strategy was introduced by the Scottish Government in 2014 to prepare learners for future employment pathways and opportunities as they transition into the world of work.

In 2022, research was commissioned to assess the impact of the strategy, focusing on the experience of schools⁸. In 2023, an independent evaluation of the impact of the DYW strategy on employer engagement was carried out⁹. This evaluation also noted the impact of the pandemic on young people entering the workforce, while some employers noted a lack of interest among the young participants in the activities carried out by their business. Challenges around capacity, funding, and engagement with schools/colleges were also highlighted.

Questions to consider in this workshop

- To what extent does a generational divide truly exist between employees and employers of different generations?
- How can businesses best be supported to develop a workplace culture that is accessible to multiple generations?
- Do young people need to manage their expectations of what a workplace culture looks like, particularly at the beginning of their careers?
- What role does government have in supporting to bridge generational divides?
- How can supporting organisations be encouraged to work collaboratively and to address the needs of employers.

⁶ <https://www.gov.scot/publications/fit-future-developing-post-school-learning-system-fuel-economic-transformation/>

⁷ <https://www.gov.scot/publications/programme-government-2024-25-serving-scotland/>

⁸ <https://www.gov.scot/publications/impact-scotlands-developing-young-workforce-strategy-education/>

⁹ <https://www.gov.scot/publications/impact-scotlands-developing-young-workforce-strategy-employer-engagement/>