



**Office for Standards
in Education**

Learning to be enterprising

An evaluation of enterprise learning at Key Stage 4

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Introduction

1. The government is keen to promote an enterprise culture within education. In 2001 it asked Sir Howard Davies, then chairman of the Financial Services Authority, to conduct a review of enterprise and the economy in education.¹ The government broadly accepted the recommendations made in the review, including the funding of the equivalent of five days of enterprise learning for all pupils at Key Stage 4 from 2005. In preparation for this, the Department for Education and Skills (DfES) established 151 pathfinder projects, embracing nearly 400 schools. Starting in September 2003, their role was to pilot possible approaches to developing enterprise learning at Key Stage 4.
2. Furthermore, work-related learning at Key Stage 4 becomes statutory from September 2004. Schools must have regard to the guidance provided by the Qualifications and Curriculum Authority (QCA) which identifies enterprise learning as a key component and output of work-related learning.²
3. Ofsted was asked to evaluate enterprise learning in a sample of schools and identify examples of good practice to help inform future developments. This report summarises the findings.
4. Her Majesty's Inspectors (HMI) and additional inspectors visited 33 secondary schools, including 1 special school, during the autumn term 2003 and spring term 2004. Of these, 27 schools were enterprise pathfinders, including 16 schools which were also designated as specialist business and enterprise schools. Other schools in the sample included a business and enterprise school which was not part of the pathfinder initiative, and schools involved in enterprise schemes, such as Young Enterprise and the National Foundation for Teaching Entrepreneurship (NFTE). Visits to schools included observations of teaching and learning, and discussions with managers, teachers and pupils. HMI also attended a professional development day on enterprise learning and met with several main providers of enterprise programmes.
5. Many of the schools visited in the autumn of 2003 were at an early stage in developing enterprise learning and it was not always possible to observe such learning taking place during the visits. Inspectors therefore needed to rely on discussions with pupils and teachers when judging the quality of provision.

¹ *A review of enterprise and the economy in education*, HMSO, 2002.

² *Work-related learning for all at Key Stage 4, guidance for implementing the statutory requirement from 2004*, QCA, 2003.

Main findings

- Although many schools were at a relatively early stage of development, examples of good practice were observed in the majority of schools. In the most effective schools, there was evidence of pupils being motivated by enterprise learning and developing a good range of relevant skills.
- Schools making the most effective provision had a strong commitment from senior managers and a clear management structure to support enterprise learning. An enterprise ethos permeated teaching and learning across the curriculum. Schools made good use of local businesses and the wider community to engage pupils in real issues and to support enterprise learning more generally.
- In the most effective schools, teaching and learning were characterised by clearly defined aims and objectives, pupils taking responsibility for their own actions and being given significant autonomy to tackle relevant problems. Enterprise learning also involved pupils evaluating the outcomes of their decisions and reflecting on what they had learned. The least effective schools failed to recognise that enterprise education had important implications for teaching and learning styles.
- There was no 'blueprint' for the development of enterprise learning. Schools adopted a variety of different curriculum models, each of which had merits as well as shortcomings.
- Only half of the schools had an explicit and commonly understood definition of enterprise learning. This was impeding progress.
- Only a minority of schools identified desired learning outcomes in terms of pupils' enterprise knowledge, understanding, skills and attributes. Very few schools had effective procedures in place to assess and evaluate pupils' enterprise learning, although the use of logbooks for self-assessment and some pilot frameworks for assessment are emerging. Links to existing vocational qualifications were rare and few pupils were able to make direct use of their enterprise experiences in assessed coursework.
- Monitoring and evaluating progress in the implementation of plans for enterprise learning were weaknesses in a substantial proportion of schools.
- Although schools often provided a good range of enterprise experiences of high quality, these were rarely planned as part of a coherent curriculum for work-related learning.
- The cost-effectiveness of different possible uses of additional resources for developing enterprise learning is not yet established.

Recommendations

To improve the quality of provision in enterprise learning, schools should:

- develop enterprise learning as part of a coherent programme of vocational and work-related learning
- establish a clear definition of enterprise learning and ensure it is understood by staff, pupils and other stakeholders
- identify the learning outcomes pupils are expected to gain from enterprise activities in terms of their knowledge, understanding, skills and attributes
- recognise that enterprise learning has implications for teaching and learning styles in terms of setting pupils more open-ended problems, encouraging them to take more responsibility for their actions and giving them greater autonomy in taking decisions
- develop effective methods of assessing enterprise learning
- ensure that there are robust systems in place for monitoring and evaluating the development of enterprise learning.

The QCA should:

- give greater recognition to enterprise learning in vocational qualifications and make it easier for pupils to make direct use of their enterprise experiences in assessed coursework.

The DfES should:

- use the experience gained from the pathfinder schools to compare the cost-effectiveness of different possible uses of the extra resources that will be made available to schools in order to recommend the best approaches to developing enterprise learning in the future.

What is enterprise learning?

6. There is no universally accepted definition of enterprise learning. It is often mistakenly regarded as being synonymous with the development of entrepreneurial skills, but an important distinction needs to be made between the two. Entrepreneurship is about starting up businesses, particularly involving risk. Entrepreneurs need to be enterprising to succeed and survive. However, only a relatively small proportion of the working population will become entrepreneurs, while all adults need to be enterprising both in their work and in their personal lives. Businesses need employees who are innovative in their approach to solving problems, can cope with uncertainty and change, communicate well and are able to work effectively in teams. The development of these skills in young people is therefore an essential part of the preparation for adult life.

7. The definition used by Ofsted for the purposes of this inspection is based on the Howard Davies review. There, enterprise capability is defined as:

'the ability to handle uncertainty and respond positively to change, to create and implement new ideas and new ways of doing things, to make reasonable risk/reward assessments and act upon them in a variety of contexts, both personal and work'.

8. Such capability involves the development of knowledge and understanding of relevant concepts such as organisation, innovation, risk and change.

9. Enterprise learning requires an **environment** where pupils are expected to take personal responsibility for their own actions. They are given significant autonomy to tackle relevant problems or issues, which involves an element of risk as well as reward for their successful resolution. In other words, there is considerable uncertainty about final outcomes. Such an environment might be the school, local community or business. Within these contexts, learning can be promoted by engaging pupils in an **enterprise process**, or approach, which is akin to project working in a work-based context. Typically, the process involves four sequential stages.

Stage 1 Tackling a problem, or identifying a need, by a team or groups of pupils, which requires the generation and development of ideas and discussion among pupils to reach a common understanding of what is required to resolve the problem or meet the need. For example, such activity could involve the manufacture of a product or provision of a service.

Stage 2 Planning the project or activity; breaking down tasks, organising resources, deploying team members, and allocating responsibilities.

Stage 3 Implementing the plan; solving problems, monitoring, evaluating and reviewing progress.

Stage 4 Evaluating processes, activities and final outcomes holistically; including reflecting on lessons learned, and assessing the skills, attitudes, qualities and understanding acquired as a result of the process.

10. In its prospectus for pathfinder bids, the DfES, also starting from the Howard Davies description of enterprise capability, adopted a more specific definition of enterprise learning to include both economic and business understanding and financial literacy. These were identified in the Howard Davies review as being vital elements of an education for work and employability and are strongly reflected in the QCA guidance for developing work-related learning. The DfES prospectus also required prospective pathfinders to develop enterprise learning within a work-related or business context.

Approaches to developing enterprise learning

Leadership and management

11. In over half of the schools in this sample, the leadership and management of enterprise learning were good or very good. A common feature of these schools was a strong commitment by the headteacher and other senior managers to the development of enterprise learning and a clear vision about its potential for raising standards and preparing young people for adult life.

12. Schools interpreted enterprise learning in a variety of ways. Several schools were aware of the Howard Davies review and used this as a basis for their approach to enterprise learning. However, the majority had a narrower view: enterprise learning was confined to the development of entrepreneurial skills, or to learning involving links with businesses and the wider community. Relatively few schools saw enterprise learning as part of a coherent curriculum for vocational and work-related learning which linked with other aspects of the curriculum such as citizenship education, careers education and guidance and personal and social education. Furthermore, in only half the schools was there an explicit and commonly understood definition of enterprise learning. Schools which did not have a shared definition were rarely able to identify the learning outcomes they expected from enterprise learning. Not surprisingly, schools which were already operating as specialist business and enterprise schools had generally made the most significant progress in developing enterprise learning and often demonstrated the highest achievement.

13. Good leadership was also characterised by a clear structure for managing enterprise learning, with a well thought-out development plan, and an investment in the professional development of staff to promote a common understanding of how to develop enterprise learning, as in this example.

A whole-school staff training day was given over to developing an understanding of enterprise learning. Staff first worked in cross-subject groups to identify the knowledge, skills and attributes they felt were associated with being enterprising. These were shared between groups and a common definition was developed. The definition was revised following discussion of the definition provided in the Howard Davies review. Staff then worked in their own departments to identify enterprise learning they felt was already taking place in subjects and opportunities to develop it further in the

future. The advantage of this approach was that staff felt they had ownership of the definition and could see its relevance to their own work.

14. In schools where the management of enterprise learning was most effective, responsibility for co-ordination and development was given to someone holding a senior position in the school, with sufficient non-contact time. Some of the specialist business and enterprise schools fulfilled this role effectively by appointing someone from outside of teaching, often with a background in business.
15. Additionally, these schools made good use of the expertise available. In just under half the schools at least one teacher involved in delivering enterprise learning had recent business experience. This was by no means essential to effective teaching or a guarantee of it, but many of these teachers were able to draw on their business experience to promote successful enterprise learning. A number of schools also gave teachers the opportunity to undertake short placements in industry to increase their understanding of enterprise and promote links with the curriculum.
16. Giving staff sufficient non-contact time to develop enterprise learning was seen as essential to its success in many schools. This was particularly true where the strategy for developing enterprise learning included working closely with local businesses or the wider community. Setting up such links and ensuring that they are effective in supporting the delivery of desired learning outcomes is a time-consuming process. It was here that some of the specialist business and enterprise schools were at an advantage. Their extra resources enabled them to give responsibility allowances and time to a member of staff in each of the 'lead' subject areas of business, information and communication technology (ICT), and mathematics to develop and monitor enterprise learning in their departments. They were also able to involve staff more widely, for example securing cross-curricular support for enterprise learning by having a working group made up of representatives from different subject areas.
17. Over half the schools in the survey made some use of external support for enterprise learning from outside agencies. This support was often effective in the areas of staff development and curriculum delivery but it was sometimes not sustained beyond one or two major events. Few schools had sought or received support from their local education authorities (LEAs).
18. The amount of extra funding available to the schools in the survey varied substantially, depending upon whether they were an enterprise pathfinder, a specialist business and enterprise school, or not part of either of these initiatives. Pathfinder schools in the survey typically received between £20,000 and £25,000 for either one or two years. Some schools also added funding from other initiatives, such as the Increased Flexibility Programme, or made use of their own budgets. Schools that were both specialist business and enterprise schools and enterprise pathfinders received considerable enhanced funding.
19. Some schools were unable to disaggregate the various funding streams, even though the pathfinder funding was allocated for specific projects. At this early

stage of the programme it was particularly difficult to judge the effectiveness of the use of additional resources. Broadly, however, good use was made of resources in just under half the schools and it was satisfactory or better in seven out of eight. Unsatisfactory use of resources was generally associated with a failure to recognise the implications of enterprise education for teaching and learning styles and a lack of clearly defined learning outcomes.

20. Schools used extra funding in a variety of ways and there was no common pattern of expenditure. Very few of the schools were in a position to make a judgement about which forms of expenditure provided the best value for money in terms of learning outcomes. A majority of schools allocated some funding to the professional development of staff, extra management time and responsibility allowances. This was often money well spent. Other common expenditures included start up capital for 'mini' enterprises, fees to external providers and ICT resources. Very little funding was spent on written materials or equipment. There was an approximate relationship between the amount of extra funding schools received for enterprise learning and the quality of provision, but it was by no means a precise one. However, schools, other than specialist business and enterprise schools, are likely to receive relatively limited funding in the future to develop enterprise learning, and more work, based on the pathfinder schools, is needed in evaluating the cost-effectiveness of various types of expenditure.
21. Monitoring and evaluating progress in the implementation of plans for enterprise learning were weaknesses in a substantial proportion of schools. They were generally stronger features of the specialist business and enterprise schools which are required to submit details of monitoring and evaluation arrangements, together with measurable targets, as part of their applications for designation. Success criteria were noticeably absent in the development plans in many of the other schools visited. Monitoring, where it existed, tended to focus too much on the implementation of enterprise activities, rather than what pupils were gaining from them in terms of skills, understanding and knowledge.

Curriculum and assessment

22. The schools visited adopted a number of different approaches to the development of enterprise learning: through the existing curriculum; through a series of enterprise days, sometimes organised and delivered by external agencies; or using programmes organised by such bodies as Young Enterprise, Business Dynamics and NFTE. All of these approaches had merits, as well as some shortcomings. The most effective schools often used a combination of approaches.
23. Where enterprise learning was developed through the existing curriculum, there were benefits in having the involvement of several different departments. Enterprise was seen by teachers and pupils as having relevance to a range of subjects and not solely the preserve of vocational subjects or work experience. In one school, for example, enterprise learning was written into at least one unit of work in each subject for each year group. However, the cross-curricular approach sometimes proved difficult to manage, particularly where there was no commonly agreed definition of enterprise learning. Schools found it difficult, for example, to

identify what individual enterprise experiences added to existing knowledge and skills, and whether pupils were making progress or continually repeating the same experiences in different subjects. Communicating outcomes of enterprise learning between departments often presented difficulties. The cross-curricular approach also required a considerable investment in professional development to promote an understanding of enterprise learning and its implications for teaching in a range of subjects.

24. Enterprise days typically involved taking a whole or half year group off the normal timetable so that they could take part in business simulations or problem-solving activities. These were sometimes organised and run by external agencies such as Business Dynamics, the Personal Finance Education Group (PFEG) and Changemakers. The pupils greatly enjoyed these days and were often enthusiastic about taking part in sustained activity that would have been difficult to generate in normal lessons. However, they were also seen by many pupils as a series of 'one-off' activities which did not have relevance to their mainstream curriculum. It was frequently the case that the knowledge and skills developed through enterprise and industry days were not built on in the mainstream curriculum.
25. In the schools using programmes developed through organisations such as Young Enterprise and NFTE, pupils were involved in setting up and running their own 'mini enterprises', and this often produced high-quality work. Pupils were often very motivated by these programmes as they saw them as providing 'real' experiences. In many cases business advisers acted as external consultants to the 'businesses' and pupils benefited from this contact with adults other than their teachers. However, the programmes sometimes had the same shortcoming as the enterprise and industry days, with insufficient linkage to the rest of the curriculum. In many cases, too, they involved relatively small numbers of pupils. There were some important exceptions to these shortcomings. For example, in one school, all pupils taking vocational courses at Key Stage 4 took the full NFTE programme as an integral part of their studies.
26. Although all three approaches offered good examples of specific activities, only a minority of schools in the sample had explicitly identified the curriculum entitlement to enterprise learning for all pupils. For example, in one school, it was intended that, by the end of Key Stage 4, all pupils would have the opportunity of leading a project, making a presentation to an adult audience and taking part in a 'mini enterprise' activity.
27. The assessment of pupils' enterprise learning was a weakness in most of the schools in the sample, and reflected their lack of a clear definition of enterprise learning and the identification of learning outcomes.
28. Some schools made use of the QCA-approved Young Enterprise qualification and one of the schools had gained QCA approval for a Level 2 qualification in business start-up, based on the NFTE course. These qualifications are useful in giving currency to pupils' achievements. However, they do not cover all aspects of enterprise learning. In particular, they tend to assess knowledge and understanding, rather than the development of skills. Similarly, vocational qualifications, such as GNVQ and the new applied GCSE courses, only partially

recognise enterprise learning. It was also disappointing that the syllabus requirements meant that it was often difficult for pupils to make direct use of their enterprise learning experiences, such as running a 'mini enterprise' business, in GCSE- and GNVQ-assessed coursework.

29. Several of the schools were in the process of developing pupil self-assessment tools, such as logbooks. These provided a potentially useful way of auditing pupils' experience of enterprise learning. However, while it is relatively straightforward to record the activities pupils have undertaken, it is a much more difficult task to assess what they have learned through taking part in these activities. Very few of the schools visited had a fully comprehensive scheme in place for assessing pupils' knowledge, understanding, skills and attributes – many of which can only be effectively assessed through direct observation. Schools were often aware of this weakness and a number were developing potentially useful methods of assessing enterprise learning, sometimes with the help of an outside agency, such as a university or local education business partnership (EBP). For example, Cornwall EBP is working with secondary schools to produce a computerised assessment system which attempts to benchmark pupils' enterprise knowledge and understanding.

Enterprise learning and teaching

30. The quality of pupils' enterprise learning was good in about half of the schools in the sample. Typically in these schools, pupils had a sound understanding of the key ideas and concepts associated with enterprise and were able to apply these in a variety of situations. They were also able to demonstrate a range of enterprise skills and attributes, such as the ability to solve problems, work co-operatively, lead groups and assess risks. Pupils were confident in taking on new tasks and were able to work independently, as in the following examples.

In a Year 10 English lesson pupils were divided into groups and set the task of producing a display for a notice board in the school foyer on British entrepreneurs of the last 100 years. They were set a deadline but given a free hand in how they went about the task. The groups quickly organised themselves to collect resources, carry out research and develop the display. Pupils communicated well and demonstrated the ability to work effectively in small teams and individually. Some pupils were also able to demonstrate good leadership and management skills.

And, in another school:

Thirty Year 10 pupils were involved in Young Enterprise which took place outside of normal lessons. One group produced and sold a high-quality CD-Rom for young people on educational attractions in London. Pupils demonstrated a good understanding of designing a product to meet particular needs and what was required to market and sell it. They also demonstrated the skills of decision-making, working in teams to resolve problems, leading and managing others, and presenting their ideas.

31. Enterprise learning requires pupils to have opportunities to interact with each other, make decisions, take risks, realise there is not one right answer to a problem and evaluate outcomes. The most effective schools saw the promotion of enterprise learning as a way of bringing about a general improvement in teaching and learning across the curriculum. In these schools teachers in different subject areas examined their current practice and sought ways to introduce enterprising and innovative approaches which would engage pupils more actively in learning.

For example, in one school all Year 10 pupils taking art were commissioned to produce a large mural depicting the history and future development of Spitalfields market in London. Pupils were required to produce a fully costed business plan and present their ideas to the market's board of trustees who provided feedback on their proposals. Pupils undertook research into the history of the site and then worked with an artist in residence to convert their ideas recorded in sketchbooks to panels for the mural. Pupils were involved in the opening day launch of the mural. They were able to make good use of the project work in their assessed coursework, much of which gained high grades. Setting the work in a real context was a powerful motivator and also helped pupils develop a range of enterprise skills.

32. Pupils were motivated by a range of different types of exciting and innovative enterprise learning experiences, as the following examples illustrate.

One school developed enterprise learning through science and conservation. Younger pupils worked with sixth-form students taking AVCE science to propagate orchids, sell them and re-introduce them to their natural environment. Students taking business studies were involved in a range of activities, including financial planning, marketing and record-keeping. The programme was organised around three enterprises with the revenue from sales being used to cover costs and fund conservation projects in Central America and northern India. Pupils' involvement in the programme helped them develop an understanding of the relationship between financial objectives and environmental considerations, as well as improving their scientific knowledge.

And:

A group of Year 10 pupils of different levels of attainment in a school in the north east of England benefited from the training provided by an enterprise agency. For half a day they were involved in generating and developing ideas as part of a business enterprise development programme.

The programme involved, among other things, an exploration of thinking in different ways, using the right side of the brain in particular to develop their imagination through, for instance, creating stories from stimulus material provided by the tutor, interpreting

pictures in creative ways and using techniques to choose realistic ideas for further development.

The pupils clearly made significant progress in developing their creative and thinking skills, coming up with clever solutions to problems and uses of resources. Their communication skills were put to the test because they had to articulate and present their solutions to the rest of the group. They also enjoyed the experience, were attentive and productive, and interacted well with their peers and their teacher throughout the session.

The teacher provided clear, helpful and interesting inputs, but emphasised the importance of pupils thinking for themselves, giving them considerable scope to trial and develop their own ideas and test out solutions to problems.

33. In several schools, pupils made good use of links with local business to solve a problem associated with a real issue. In some cases this also included working with a professional from the industry.

In one school, graphic design students were set the task of designing a more up-to-date and attractive logo for a local company. They worked with a graphic design consultant to produce a design which was eventually used by the company. The work also contributed to the students' portfolio of assessed coursework. The activity proved highly motivational and resulted in some very good-quality work.

34. Some pupils made very effective use of their work experience placement as a vehicle for enterprise learning. This sometimes involved tackling short projects involving the investigation of an aspect of the business and the presentation of their findings. Good work was also stimulated through effective links made between work experience and the broader curriculum, as in this example.

A mathematics department ensured that throughout Year 10 teachers drew pupils' attention to practical applications of mathematics in the 'real' world. During their work experience pupils were encouraged to note any use of mathematics. The first two mathematics lessons after pupils returned from work experience were given over to pupils making five-minute presentations about what they had observed. The teachers used some of the examples drawn from the presentations to develop investigations of mathematics in the workplace. Pupils were motivated by this work because they initiated it and could see its relevance to the world of work.

35. In another example, the driving force of the enterprise was a social need identified by the pupils, rather than business opportunity.

Year 11 pupils at a girls' high school developed and managed a drop-in centre for pupils on aspects of health and welfare. They researched the needs of pupils and identified useful sources of information and advice. The project was supported by the school

nurse and the member of staff responsible for raising minority ethnic achievement. The girls undertook training in peer counselling and how to respond appropriately to concerns raised by pupils. The project was 'marketed' through presentations in assemblies, leaflets and posters. Pupils wishing to take part in the project had to go through an application and selection process. The girls involved in the project demonstrated a very strong commitment to the work which they saw as meeting real needs in the school. The project supported personal, social and health education in the school as well as providing an excellent vehicle for developing a range of enterprise skills.

36. Where teaching and learning were unsatisfactory, learning outcomes were not clearly identified or were insufficiently ambitious. Too much emphasis was often placed on the mechanics of the activity rather than the knowledge, understanding and skills that the activity was intended to develop. A common weakness in the teaching was that it was over-directed and gave too little scope for pupils to explore their own ideas. Another shortcoming was insufficient time being allocated at the end of an enterprise activity to debriefing the pupils and to finding out what they had learned from the experience.

Conclusion

37. The schools in this survey were not a representative sample; they were selected because they were already involved in enterprise initiatives or were known for their good practice. Indeed, nearly half the schools were specialist business and enterprise schools. They had received very substantial extra resources and had been required to undertake a rigorous audit of provision and to draw up detailed development plans to achieve designation.
38. It is therefore unsurprising that a good range and quality of practice was found. This included individual enterprise activities which enthused and motivated students, who saw the experiences as relevant and valuable in developing the skills they need in adult life. In the most effective schools, too, a business and enterprise ethos permeated much of teaching and learning and was seen by headteachers as a key influence in bringing about improvement.
39. As yet, however, few schools have a coherent curriculum for enterprise learning, so that what most schools offer is often fragmentary and pupils' experiences of enterprise are partial. For these schools, and others that will take part in the national roll-out of enterprise learning in 2005, much remains to be done. Schools need to establish a clear definition of enterprise learning, identify the enterprise learning that is already taking place and seek ways of enhancing this to develop a coherent approach that progressively develops pupils' knowledge and skills. Schools also need to establish systems for monitoring and evaluating the outcomes from enterprise learning.
40. This report, by identifying the main strengths and weaknesses and examples of good practice in a specialised sample of schools, provides a useful starting point.