Promoting job progression in low pay sectors

Jonathan Webb, Alison Parken, Helen Hodges and Megan Mathias
September 2018
Promoting job progression in low pay sectors

Our mission

The Wales Centre for Public Policy was established in October 2017. Its mission to improve policy making and public services by supporting ministers and public services to access rigorous independent evidence about what works.

The Centre collaborates with leading researchers and other policy experts to synthesise and mobilise existing evidence and identify gaps where there is a need to generate new knowledge.

The Centre is independent of government but works closely with policy makers and practitioners to develop fresh thinking about how to address strategic challenges in health and social care, education, housing, the economy and other devolved responsibilities. It:

- Supports Welsh Government Ministers to identify, access and use authoritative evidence and independent expertise that can help inform and improve policy;
- Works with public services to access, generate, evaluate and apply evidence about what works in addressing key economic and societal challenges; and
- Draws on its work with Ministers and public services, to advance understanding of how evidence can inform and improve policy making and public services and contribute to theories of policy making and implementation.

Through secondments, PhD placements and its Research Apprenticeship programme, the Centre also helps to build capacity among researchers to engage in policy relevant research which has impact.

For further information please visit our website at www.wcpp.org.uk

Core funders

Cardiff University was founded in 1883. Located in a thriving capital city, Cardiff is an ambitious and innovative university, which is intent on building strong international relationships while demonstrating its commitment to Wales.

Economic and Social Research Council (ESRC) is part of UK Research and Innovation, a new organisation that brings together the UK’s seven research councils, Innovate UK and Research England to maximise the contribution of each council and create the best environment for research and innovation to flourish.

Welsh Government is the devolved government of Wales, responsible for key areas of public life, including health, education, local government, and the environment.
Summary

- The Welsh Government’s *Economic Action Plan* and *Employability Plan* identify the need to promote job progression to boost earnings and hours in low-paid, entry-level jobs, which increasingly offer limited opportunity for progression.

- The Welsh Government’s priority foundational economy sectors - care, retail, tourism and food manufacturing - account for over a quarter of a million workers in low pay in Wales. Jobs are strongly gender segregated with a high volume of part-time, casual and temporary contracts. These employment conditions have historically made it difficult to design and deliver job progression initiatives.

- Our evidence review of barriers to progression in low-paid work shows the cost of participation in existing initiatives; management practices; welfare constraints; limited internal job ladders within flat employment structures; and that gaining new skills does not always result in increased earnings.

- Potential enablers include supporting employers to improve job design and job ladders, and to create opportunities for employees to experience other job roles (including job shadowing/switching and internal secondments). This can facilitate horizontal movement in occupations with established job ladders that could lead to higher paid work.

- Our review also shows that low-paid employees, often in insecure work, have been effectively supported by trusted intermediaries, such as trade unions and social housing providers to take advantage of job progression opportunities.

- Our review of the best evaluated *job progression models* shows that sector-based approaches, collaboratively designed by employers and employees can produce successful bespoke initiatives. This ‘dual customer’ approach has been successfully designed and delivered in the USA. Less well evaluated but demonstrating promise, initiatives from Birmingham, Preston and other local authorities suggest job progression can be encouraged through leveraging social value procurement.

- On the basis of the evidence review, we recommend:
  - Investigating the dual-customer model for job progression as potentially providing a framework within which a coordinated government support offer can be made across both employers and employees.
  - Trialing a dual-customer approach in the social care and retail sectors in Wales, initially focusing on medium and large sized organisations where there is HR capacity to support such initiatives. These sectors also demonstrate trade union presence to support job progression.
  - That government builds upon the opportunities afforded by the Economic Contract to embed job progression within the definition of Fair Work and the support to be offered within the Employability Plan, by drawing on procurement levers to foster both vertical and horizontal job progression from low-paid work.
Introduction

Welsh Government Ministers asked the Wales Centre for Public Policy to explore the evidence on effective job progression models and how they might be usefully applied in low pay and foundational economy sectors. This evidence report is a contribution to a debate that will require long-term solutions. It focuses on three main questions:

1. What are the main barriers to job progression in low pay sectors?
2. What, if any, approaches are being applied internationally, and what is the evidence on their impact, and cost effectiveness?
3. Which factors are important to the successful introduction of new job progression approaches, for employers and employees?

This report draws on (i) a review of the academic and grey literature on barriers to progression, and on training and employer led initiatives and evaluated models; and (ii) a symposium we convened in July 2018, which enabled us to draw in additional expert and practitioner insight from over 40 in-work training and further education providers, employers, employer representative groups, academics and government officials. Underpinning both is an analysis of the composition and structure of low pay and key foundational economy sectors in Wales (see our technical annex, under separate cover).

Defining job progression

In this review we distinguish between job progression and career progression, with the latter meaning careers in which progression and promotion pathways are clearly defined (in what are known as technical, managerial and professional occupations). These careers often begin through degree level entry to the middle of a grade distribution. Employment is usually on a full-time, permanent basis, with training and development opportunities provided within an internal labour market, supported by performance and career development practices.

By contrast, many low-paid jobs are associated with the lowest grades, temporary, casual or zero hours employment contracts (or self-employed ‘gig’ economy work outside of employment contracts and the social protections they lead to), part-time working, few opportunities for training and development, or appraisal of performance or ambition to progress (Parken and Ashworth, 2018, UKCES 2012). These workers are rarely included in workforce planning or talent management schemes because the jobs that they do lack progressible pathways (Hirsch and Tyler, 2017). However, job progression in these roles can be achieved, often with support, by moving up through an internal grade structure where one
exits (vertical progression) or by moving to a position that does provide a job ladder to higher graded work (horizontal progression).

The policy challenge

Government support to skills development and job progression has historically been targeted at high-value, highly skilled work; but attention is now turning to the policy options available to ‘make work pay’ for low-paid workers and so alleviate in-work poverty. Workers in low paid jobs are more likely to be in insecure forms of employment, and have less opportunity for training and progression (Devins et al., 2014). The proportion of the workforce in temporary, agency, casual, seasonal, zero hours contracts, or self-employed and earning less than the minimum wage is higher in Wales than any other UK country or region, standing at 14.3% (Trades Union Congress, 2018). These types of ‘employment contracts’ have a disproportionate impact on the employment of women and disabled workers, and their prevalence is increasing in jobs traditionally associated with ‘men’s work’ (Davies and Parken, 2017). Disabled workers in Wales have half the employment rate of non-disabled workers and are over-represented among part-time, involuntarily self-employed and casual workers (Davies and Parken, 2017).

A recent Joseph Rowntree Foundation review of poverty finds that while skills levels and employment rates have increased across the UK, low pay and poor job quality means that working does not guarantee an exit from poverty, and that relative rates of income poverty remain higher in Wales than in England, Scotland and Northern Ireland (Barnard, 2018). While workless households continue to be at most risk of relative income poverty, low hourly pay in combination with a rise in single earner households, increasing household costs (particularly housing rent), and reductions in in-work welfare transfers, have all contributed to the rise of in-work poverty (Barnard, 2018). Indeed, recent analysis has suggested that in 2018, even families with two parents working full time and receiving the national living wage are 11% (£49 per week) short of the minimum disposable income the public defines as an acceptable, no-frills living standard (Hirsch, 2018).

The rising numbers employed in low pay sectors and in-work poverty must also be set in the context of significant structural changes anticipated for the near future. The rise of artificial intelligence and the potential for machines to replace people in an array of jobs is widely reported, but the impact on Wales is less clear. As we highlighted in ‘The Future of Work in Wales’ report, one estimate is that a third of the Welsh workforce is employed in the least productive, lowest paid and most generic industries that are often considered at highest risk of automation – and those with lower qualifications in poorer areas are likely to be most at risk (Bell et al, 2017). The impacts of the UK leaving the European Union are also unclear, with some emphasizing a short-term possibility of more opportunities if migration is limited,
but should the economy contract, demand for labour will of course be affected too (Parekh et al., 2017).

Lack of job progression is a key challenge. It leads to lack of pay progression and contributes to greater ‘churn’ of low-paid workers, resulting in their ‘cycling’ in and out of work (UKCES, 2012). The current generation of young people, described as the best educated ever, are less able than previous generations to gain sufficient experience in work to attain career and wage growth (Resolution Foundation, 2018). If existing workers don’t move up there are fewer opportunities for workers trying to enter the labour market. Increasingly, the first rung of the ladder is the only rung for workers in low-paid jobs.

However, this is not just a case of providing opportunities. Employers can be reluctant to invest in job progression for low-paid employees, often because they don’t recognise the value of harnessing their existing organisational knowledge within higher graded roles or because they assume that once better trained, employees will leave (Hirsh and Tyler, 2017, Parken, 2015). Employees can also be reluctant to progress, if to do so results in slight financial gain but with an expectation of working additional unpaid hours (Lloyd and Payne, 2011a).

From a macro-economic perspective, the absence of credible job progression adversely affects productivity, reduces sector growth and results in low levels of employee retention (Presbitero et al., 2016). A rise in the proportion of low-paid work, in retail, food service, warehousing, and even social work, relative to hours worked in high value jobs, is said to be contributing to the UK’s growing productivity gap (Giles and Jackson, 2018). The productivity challenge is all the greater in Wales as the economy exhibits a lower proportion of economic activity in the private sector, a higher proportion of jobs requiring low qualifications and part-time work, and lower average earnings compared to other parts of the UK (Felstead et al., 2013).

This has led to growing interest in addressing low pay, in-work poverty and reduced productivity within foundational economy sectors (Johal et al., 2017). Workers in these jobs provide the population with the goods and services that support the social and material infrastructure of everyday life - from local shops to essential services such as social care. Jobs in foundation sectors exhibit many of the features associated with low progression opportunities: part-time work, small organisation size, lack of internal labour markets, flat employment structures, high staff turnover and gender segregation and gender inequalities (Lloyd and Payne 2011a; Parken, Pocher and Davies, 2014, D’Arcy and Finch, 2017).

While research suggests that supporting job progression could increase productivity and earnings, improve job satisfaction, and employee well-being (Green et al, 2017; Innes, 2018, Scroggins, 2008, Bryson et al 2014; Philpott, 2014), the policy challenge that emerges is a complex one. It involves tackling employer and employee attitudes, plus supply and demand
side factors - encompassing employment structures and conditions (notably, increasing precarity), and skills (including how skills are attained and differentially valued). Further, efforts to increase job progression opportunities take place within a context of wage stagnation, and – while increasing in recent years in Wales - relatively low investment in training (Winterbotham et al. 2016, Brinkley and Crowley, 2017), uncertainty about what skills future labour markets will require given AI, digitalisation and automation (Bell et al., 2017), and the UK’s exit from the European Union.

Broadly cast, the key policy options available to respond to in-work poverty can be structural, changing the ‘rules of the game’ of labour markets (e.g., by regulating on issues such as working hours and other protections, or setting a minimum or living wages), or programmatic, seeking to encourage and enable change by injecting funds and/or services into labour markets. This evidence review focuses on job progression as one key route out of in-work poverty and, given the scope of the Welsh Government’s devolved powers, on programmatic models to enable job progression. In policy terms, such programmes should of course always be considered as part of the overall policy ‘package’ (including, for example, the UK Government’s industrial strategy and labour market policies, and future recommendations of the Welsh Government’s Fair Work Commission).

The policy context

The Welsh Government has set out its intention to support progression into higher graded work (to achieve higher hourly pay), increasing hours of paid employment and job security in both the Economic Action Plan (Welsh Government, 2017) and Employability Plan (Welsh Government, 2018a).

The employees and employers affected

Around 459,000 workers in Wales are employed in low-paying occupations as defined by the Low Pay Commission (2017), and over a quarter of a million of these work in the foundation economy sectors listed in the Economic Action Plan and Employability Plan: care, tourism, retail and food processing (Annual Population Survey, 2018). Almost two-thirds of these employees are women (65%), and working patterns are strongly gendered. While around half of all employees working in care, retail and food work less than 30 hours per week (51%), this pattern most strongly associated with retail and tourism (61%) and care (43%), while just 8% of employees in food processing work part-time hours (Business Register and Employment Survey (BRES), 2018).

Micro businesses predominate in these four sectors; however one in five is small or medium sized (SME), employing between 10 and 249 people. The health and social care sector has
the highest proportion of SMEs overall (36%) whilst the retail sector has just 15%. Eighty
large organisations fall within these sectors, two-thirds of which are privately owned. Almost
half (44%) of all large private sector enterprises provide health and social care services (UK
Business Counts, 2017). A more detailed analysis of employees and employers in low-
paying sectors and those identified by the Welsh Government as the foundational economy
sectors is provided in the technical annex to this report.

Efforts to encourage employers and employees to build hours and earnings will not be
restricted to these sectors, however, particularly as the developing Regional Skills
Partnership plans both overlap and diverge from this sector focus. For these reasons, we
have not confined this review to the four foundation economy sectors but consider low-paid
occupations more generally.

The policy landscape

The policy landscape for post-compulsory education, economic growth and employment
conditions is developing rapidly. Recent review recommendations in relation to education
and training, and policy developments related to employment and economic growth, will all
have significant impact on efforts to promote job progression in the coming years. Key
amongst these are:

- Education and training:
  - An integrated post-compulsory education system giving ‘parity of esteem’ to
    vocational and academic pathways, whether full-time or part-time, on-campus or
    off campus (Welsh Government, 2016a) - in which widening access is likely to be
    a key performance indicator overseen by the new integrated Tertiary Education
    and Research Commission for Wales;
  - The extension of maintenance grants to part-time learners in higher education
    (Welsh Government, 2016b);
  - The possible introduction of Personal Learning Accounts as a mechanism to
    encourage up-skilling, and reinforcing the concept of parity between
    apprenticeships and academic qualifications (Gregory, 2018).

- Economic growth and employment:
  - A focus on sustainable employment, with support to include provision of in-work
    training, retention and progression (Welsh Government, 2017);
  - A new ‘economic contract’ that requires businesses seeking Welsh Government
    support to commit to principles on fair work and on the promotion of health, skills
    and learning in the workplace, alongside growth and reducing carbon footprints
    (Welsh Government, 2017);
- A new Employment Advice Gateway (EAG) that will provide comprehensive and impartial employability advice and guidance to people aged 16 and older across Wales, based on their needs and circumstances. The EAG will streamline referral to the right support across multiple programmes and interventions. The EAG will be launched in February 2019 (Welsh Government, 2018a);

- A new employability programme (currently in procurement): the Working Wales Programme is intended to support people of all ages to overcome barriers and gain the skills to achieve and maintain good quality, sustainable employment. Working Wales forms an important part of the government’s Employability Plan;

- Investment in apprenticeships, aligning the apprenticeship programme to the needs of the economy and linking apprenticeships to priority sectors, with a target of creating 100,000 quality apprenticeship places during the current Assembly term;

- The establishment of the Fair Work Commission to make evidence-informed recommendations and promote fair work in Wales (Welsh Government, 2018c). The Commission will develop indicators and measures of fair work and will consider what further measures, including new legislation, can be taken to promote fair work.

All these developments should contribute to promoting job progression for low-paid employees and their employers. Learning from previous work programmes has brought a new focus, namely, maintaining support for employees beyond access to employment to increase job retention and foster in-work progression.

Finally, the National Assembly’s Equality, Local Government and Communities Committee recent inquiry 'Making the economy work for people on low incomes' made a number of recommendations, including working "with employers in foundational sectors to pilot creating “job ladders” within firms to improve workforce progression" (Communities, Local Government and Equality Committee, 2018: 47).

It is important to note that these developments are occurring within a context of ongoing pressure on government budgets, and no additional funding is anticipated. The impact of the UK leaving the European Union is also uncertain, with both the possibility of labour shortages in some sectors potentially creating short-term opportunities (which may or may not be accessed) and real concerns that the negative impact on public finances may seriously limit government capacity to provide support for job progression (Zolle, 2016).
Barriers to job progression

Low pay sectors vary in terms of their employment structures and, as the following section details, some sectors provide more opportunities for advancement than others. The key barriers identified are: employer working practices, lack of job ladders, insecure work, employee attitudes to progression, lack of flexibility, welfare support to make work pay and gender barriers.

Employee and employer attitudes to progression

Evidence suggests employees may be reluctant to engage in job progression if it requires significant time investment for slight financial gain, reduced flexibility or additional responsibilities with the expectation of working unpaid hours (Green et al., 2016a). For example, moving from barista to supervisor garnered on average an additional 30-50p an hour, which was not considered to be enough for the additional responsibilities in Lloyd and Payne’s study of low pay and progression in cafés (2011a). They further found that non-measurable and unquantifiable attributes such as having a positive outlook, aptitude, and being the ‘right fit’ could lead to progression more than in-work training. They also pointed to a need to improve job quality.

Studies with retail, hospitality and tourism workers similarly show that the added responsibility and time commitment associated with higher graded roles were not thought to be worth a sacrifice of work-life balance for little additional pay (Ussher, 2016; O’Learey and Deegan, 2005). These findings are further echoed in a sector review of tourism, along with failure to provide flexible career-progression routes, as causes of retention issues (Deery and Jago, 2015).

A recent Office for National Statistics survey of productivity across a number of sectors has estimated that improving the quality of firms’ management practices from poor to average could increase productivity by 19% (Economic Statistics Centre of Excellence, 2018). Poor management of flexibility is a key barrier to job progression, particularly for workers on non-standard contracts and part-time contracts. These workers can find it difficult to access information about progression opportunities (Thom, 2016), and struggle to access flexible learning arrangements (such as those offered 9am to 5pm at fixed sites) when working irregular working patterns (Baharudin et al., 2013).
Restrictions on employee autonomy can also reduce their motivation to invest more time in work and job progression opportunities (Deery, 2008; Dahlander and O'Mahoney, 2011), as can failure to provide workload adjustments to allow for training (Lloyd and Payne, 2011).

While there is strong evidence in aggregate for a link between training, up-skilling and improved earnings (Hayward et al., 2014, Bukodi, 2017), for individuals, obtaining qualifications does not necessarily lead to job entry or progression, when employers don’t recognise and reward accordingly. Indeed, failing to make adequate linkages between skills acquired through education and training with role classification and pay outcomes, undermines the function of skills awards and motivation for further skill acquisition (Oliver and Walpole, 2015).

A lack of enthusiasm from employers and employees for current job progression initiatives has the effect of reinforcing low pay and poor job satisfaction, and increases employee ‘churn’ (Kumar et al., 2014). In sum, there is evidence that suggests a significant disconnect between employers and employees in low pay sectors.

**Flat employment structures**

While career pathways are more evident in managerial and professional occupations regardless of organisational size, many low-paid jobs are not connected into job ladders. The question ‘progression to where?’ recurred throughout this evidence review. The food processing sector, for example, is characterised by high levels of migrant labour and few management roles. Given the ‘foot loose’ nature of capital invested in the industry, employers are likely to employ migrant labour on low-wages and flexible contracts (Hopkins et al., 2016). Furthermore, attempts to organise collectively within the sector to improve working conditions have often been met with resistance (Tannock, 2015). However, one case study in south Wales shows how the food processing sector has acted as a vehicle for migrant labour to access other job opportunities through horizontal progression (Knight et al., 2014).

A core-periphery model of labour market division contributes to this labour market segmentation, by supplanting low-paid permanent staff with the peripheral use of temporary workers. This model works to exclude temporary workers from accessing job progression initiatives because training and upskilling is reserved for the core workforce (George and Chattopadhyay, 2015). Changing human resources policies and the employment structures of organisations are necessary pre-requisites if all workers are to be able to take advantage of job progression opportunities (Sissons and Green, 2017). Differences are also present between public and private employers. For example, in 2008, Cox et al. found that good quality upskilling initiatives available to care staff employed in the public sector were not
accessible to those employed by private sector organisations (Cox et al., 2008; see all the WAVE case example, below).

The Joseph Rowntree Foundation argues that the employment structure of low pay sectors and the lack of available career ladders are exacerbated by poor alignment between skills policy and industrial strategy; further, that current UK industrial strategy focuses primarily on the skills of young people, but 90% of the workforce has already left education. Reflecting a key theme of the earlier Leitch Review (2006), they suggest improved provision of adult learning should be focused on low pay sectors to tackle low productivity (JRF, 2017b). The Resolution Foundation has similarly suggested that better alignment of industrial strategy with a skills agenda is the best way to boost growth in low pay sectors, such as food processing, hospitality and retail (D’Arcy, 2016). Demographic, economic and social changes, potentially exacerbated by the impacts of the UK leaving the European Union, may make it even more necessary for workers to continue to learn and develop their skills throughout life. A review of lifelong learning in the UK suggests that more effort is needed to align provision with industrial strategy and ensure that it receives adequate investment (Hyde and Phillipson, 2014).

**Welfare support for low-paid work**

Evidence is emerging that suggests that Universal Credit (UC) may act as a barrier to job progression for workers on non-standard job contracts or who cannot access full-time work (Brewer et al., 2017). These employees may find that they are not better off in paid work. It is estimated that UK wide, seven million low-income households will see their incomes lower on average by £40.62 per week by 2020 in cash terms as a result of welfare reform (Policy in Practice, 2017).

The lack of a ‘second earner disregard’ in Universal Credit, most often affecting women within the 1.5 household earnings model in the UK (Kenway, 2013), acts as a disincentive to attaining higher hourly pay or hours (Women’s Budget Group, 2018). On average over 40% of the jobs in Wales most associated with ‘women’s work’ are offered on a part-time basis, indicating that we should question whether not working full time is always a choice (Parken et al., 2014). The need to boost earnings could result in people working multiple jobs to make up earnings, instead of pursuing learning for progression in their current occupation. Disabled people have been particularly negatively affected by welfare reforms, which have led to increased ‘fit for work’ classifications, and the need to find ‘any job’ as opposed to an appropriate job that might lead to more stable employment (Dwyer and Wright, 2014).

The Resolution Foundation proposes that ‘progression payments’ could help manage the move to a higher level of earnings by providing a strong incentive for individuals to commit to
obtaining more work and undertaking further upskilling where necessary (Brewer et al., 2017). Further evidence is needed to understand whether Universal Credit can act as the intended ‘benefits bridge’ by supporting people into work rather than marginalise those who cannot work full-time. Overall, more evidence is needed on barriers to job progression being created by welfare reform, including in Wales, because the majority of current evidence is drawn from early, sector-specific, case studies.

Gender disparities

Access to job progression opportunities is significantly gendered. Women predominate within low-paid occupations, which exhibit few opportunities for training and progression (Women’s Budget Group, 2017). The gender pay gap for full-time workers favours men for all occupations - noting also that the smallest gender pay gaps are found in occupations where there is an almost equal employment share between men and women (ONS, 2018). However, only a fifth of employed and self-employed workers in Wales work in gender balanced occupations (Parken, Pocher and Davies, 2014, p. 20).

Parental-related career breaks taken by women particularly effect their ability to progress in the work place (Arun et al., 2004; McIntosh et al., 2012). While becoming a parent has a negative impact on women’s earnings, it has the reverse effect for fathers (TUC, 2016). In low-paid sectors, women are more likely to work part-time:

**Women face an above-average incidence of low hourly pay (26% for all employees in Wales, 32% for women). Part-time workers face an additional risk of low pay: the probability of low hourly earnings is more than twice as high for women who work part-time (47%) as full-time (22%).** (Joll, Parken and Wass, 2011, p.153)

Three quarters of women’s part-time work in Wales takes place in administration, sales, personal services and elementary occupations (Parken, Pocher and Davies, 2014, p16). Separately, a survey conducted by Timewise (2015) suggested that many women choose to return to work on a part-time basis because they do not believe full-time work offers them the flexibility needed to combine work with parenting. This reduces their ability to take advantage of training and development, as in most cases, this is not flexible and attentive to the needs of part-time workers (Tinson et al., 2016). In Wales, research exploring women’s experiences of low-paid work highlights the challenge women face in balancing work with caring responsibilities. It also shows that many women have a sense of limited job satisfaction. These issues are exacerbated by a lack of access to progression initiatives and poor provision of tangible job progression opportunities (IWA, 2018). In the face of such challenges, the Equality and Human Rights Commission has recommended that employers
act and consider ways to improve the participation and progression rates of under-represented groups of women and the flexibility of all jobs (EHRC, 2018).
Learning and upskilling

Learning and upskilling support can be understood as taking two broad forms: supply-side accredited learning and upskilling opportunities, and demand-side employer led in-work initiatives. Supply-side learning and upskilling provides a structured route to obtaining new skills and accreditation. It can take place within organisations and externally through education providers. Demand-side initiatives usually take the form of on-the-job learning and are promoted by employers to meet their skills needs. Initiatives include job shadowing, mentoring and internal placements. These two categories are not mutually exclusive. Learning and upskilling initiatives can take place along a spectrum and may contain elements of both supply-side and demand-led learning.

Supply-side: Accredited learning and upskilling

Upskilling can enable access to more meaningful forms of work and open opportunities for horizontal progression into new sectors (Dill and Morgan, 2017). The most common way to enable workers to gain new skills is through adult learning and accreditation, and there is strong evidence that key intermediate qualifications – such as GCSEs, A-levels and apprenticeships – contribute to people benefiting from increased earnings at the aggregate level (Hayward et al, 2014; Conlon and Patriganni, 2015). In the UK, some evidence suggests that new academic qualifications are more likely to increase earnings than new vocational skills (Bukodi, 2017). Blanden et al. (2012) also show an aggregate link between qualifications and job progression. They find that participating in lifelong learning increased earnings for women by 10%; however, for men, the qualifications they had when entering the labour market were the dominant factor in determining their pay increases, rather than additional qualifications obtained through adult learning – highlighting a distinct difference in the male and female experience.

While there is an aggregate association between qualifications and increased earnings, the individual experience can be different. Many studies on skills initiatives do not measure whether the provision of new skills contributes to individuals’ progression or relative increase in earnings (Keep and Mayhew, 2010; Lloyd and Mayhew, 2010; Taylor et al., 2012). This body of evidence further suggests that obtaining qualifications and upskilling will only lead to job progression if other structural features of the labour market, such as irregular contracts and lack of investment in low paid industries, are addressed in tandem with a skills agenda. Indeed, a comprehensive IPPR study of progression in EU labour markets suggested that it
is important to not overstate the link between lifelong learning and job progression (Thompson and Hatfield, 2015). In sum, while upskilling and obtaining qualifications does help enable job progression, there is a need for further examination of the specific conditions and enablers for individuals employed in low-paid sectors.

Upskilling is more likely to lead to job progression when initiatives are supported by enthusiastic local actors, such as local authorities and bodies such as trades unions, skills councils, and employer forums who are supportive of job progression in a sector (McBride, 2011; Davis, 2015). Evidence from Singapore’s SkillsFuture Credit scheme suggests that creating a culture of adult learning requires significant investment, the identification of training needs with government support, and subsidy (Dromey et al., 2017). It also suggests that helping citizens keep up-to-date with changing working practices also improves labour market adaptability and resilience.

Training and development opportunities that create ‘boundary-spanning roles’ have proved effective at upskilling; for example, in the care sector they have been used to develop individual employee skills portfolios and digital learning (Skills for Care, 2013; Gilburt, 2016). A good example is the ‘care navigator’ role created to help deliver the Greenwich Coordinated Care Vision, in which designated care navigators acted as both the first point of contact for patients and the coordinator of activity across their care teams. Those appointed as care navigators were able to apply existing care skills in a new context and learn new management processes, which supported the development and application of new skills (Gilburt, 2016). These opportunities typically require the participating workers to have basic ICT skills; qualitative case study evidence on the use of digital learning for health workers in Scotland suggests that employees do not always have these skills (Lindsay et al., 2017). Further, much of the evidence on the effectiveness of boundary-spanning roles is drawn from higher-paying sectors (for example, Araújo-Pinzón et al., 2017) and more work is needed to explore the scale of their potential in low-pay and foundational economy sectors.

Apprenticeships can also have a positive impact and support job progression (Jones, 2016). In Austria and Germany, the Hotelhausfrau/Mann apprenticeship programme offered a training package across all hotel departments to provide employees a wide range of job skills within the sector, and expanded the progression opportunities available to employees (Baum, 2002; Green et al., 2016a). Apprenticeships like these combine on-the-job training with formal courses which together lead to certification (Deissinger and Hellwig, 2005). In Germany, this dual vocational training system has focussed on providing training through employers, while supplementing this with teaching in vocational schools (Field, 2018). Rooted in Germany’s particular economic context, this system has generated a vocational workforce with a blend of skills that allows workers to adapt in their existing career or, through the accumulation of a range of skills, more readily switch into other careers (Adda, et al., 2006). The system operates on the basis that individuals are trained in a broadly defined occupation. There are over 329 occupations within the system and they are organised across
broad sectors that include: industry, crafts, public services, agriculture, professions, home economics and maritime (Deissinger, 2015).

Despite being lauded for its success, it is important to note that technological changes are significantly challenging the German dual vocational training model. For example, traditional occupations, such as craft and artisanship, are likely to grow at a diminished rate in relation to high growth technology sectors. This suggests the system will have to be sufficiently adapted and updated in years to come, with apprenticeships evolving to match the changing world of work (Steedman, 2011). It should also be noted that despite its success, the German model has focussed mostly on getting school age leavers into vocational professions. Other systems, such as the Australian or Dutch system, have focused more explicitly on including adult learners in intermediate vocational training (Volger-Ludwig et al., 2012). However, despite deploying a highly flexible validation and accreditation system, in comparison to the German system, the Dutch model draws a weak link between training and company needs. The Australian system is noted for its competency standards, but this means it does not have a pre-defined training curriculum, which potentially allows employers and trainees to minimise their training investments (Ibid). There is no one size fits all approach to apprenticeships; modern and inclusive programmes will need to blend best practice features from a range of models, while also considering whether different model features can work in specific contexts.

An evaluation of apprenticeship schemes in Wales shows that many employers find that the current Apprenticeships Programme suits their needs, and there is a strong perception that the current programme has a positive impact on both apprentices and employers. However, concerns have been expressed by employers that reducing provision at level 2 could exclude vulnerable groups with weaker pre-existing skills levels (Foster et al., 2018). An evaluation of Higher Apprenticeships in work-based learning has shown that while apprenticeships are highly valued, there is currently a shortage of appropriate trainers in Wales. The report recommends that the current apprenticeship scheme better aligns with demands of employers and the Welsh economy, while offering improved access an in-work support to apprentices (Estyn, 2018).

Separately, digital badging has been shown to encourage development in some sectors. Digital badging involves offering free or reduced cost online courses and exams for adult learners on a flexible basis. Learners are awarded soft accreditation (a ‘digital badge’) in recognition of their skills, which might otherwise go unrecognised. An evidence review of the use of digital badges to support workforce development in the USA suggests that digital badging projects work best when they use and develop existing content and technology. The review suggests that digital badging can help build key-readiness skills, while also documenting soft skills (Spaulding and Johnson, 2016). An evaluation of Open University badging pilots run across the UK has found that badged learners not only gain new skills, but also seek out further learning opportunities (Law et al., 2015). A study of digital badging to
support teachers’ personal development suggests that digital badging helps support more flexible upskilling too (Gamrat et al., 2017). Providing recognition to skills obtained in both formal and informal settings, can provide a more ‘complete narrative’ of a person’s skills (Finkelstein et al., 2013).

Tailoring learning opportunities to address identified barriers to job progression, and ensuring that they address sector-specific skills gaps, improves their efficacy. Case examples identified by the Learning and Work Institute (LWI) and Royal Society for the Arts (RSA) were found to deliver skills that met the needs of employers and used flexible tools, such as open-badging, while grounding learning in localities through a place-based approach (Painter and Shafique, 2017; LWI, 2016). Tailored formal learning provision can allow individuals to align their personal development to real, local job opportunities. Tailored approaches are anticipated to inform the Welsh Government’s design of Personal Learning Accounts, planned to be piloted in the near future (Welsh Government, 2018a).

Demand-side: Employer initiatives to support on-the-job learning

On-the-job learning can include mentoring, job placements, internal secondments and shadowing (Philpott, 2014). Mentoring schemes are low-cost initiatives that can be deployed across a range of different sectors. However, mentoring schemes are most effective when targeting full-time workers, as flexible workers and those working irregular hours often struggle to align their work patterns with a suitable mentor, and part-time workers and those with childcare responsibilities often struggle to access the same quality mentorship as full-time workers (Durbin, 2016). Effective mentoring programmes must consider the type of mentoring different employees might need and adjust the support provided accordingly (Durbin and Tomlinson, 2014). Mentoring has shown to be useful for diversifying the workforce and exposing employees to new perspectives and reinforcing employee relationships between workers at different grades (Searby et al., 2016).

The assignment of an appropriate mentor can provide an opportunity for employees to upskill on the job, by integrating upskilling into existing work routines (Wood and Wybron, 2015). A study of 40 SME retailers in the London Borough of Merton found that mentoring helped employees to adapt to change and develop new ideas. The initiative formed part of a Council-led response to reinvigorate high streets. In each retail business, a mentee benefited from 26 hours of mentoring time resulting in the development of an action plan. Retailers reported that they had effectively upskilled staff, without detracting from their existing work duties. Improved sales were also reported during the mentoring period (Kent et al., 2003).
Informal learning is typically encouraged when employers recognise the value of recruiting from within rather than externally. Initiatives aiming to enable internal job progression require the creation of internal labour markets. The CIPD (Chartered Institute of Personnel Development) recommends internal secondments, creating cross-business task groups and job shadowing as mechanisms that allow workers to experience other job roles, and which can build the skills and confidence of potential internal job applicants (CIPD, 2018). Our core evidence for these initiatives draws upon an evaluated Welsh ESF funded programme.

**Case example: the WAVE Programme**

The ESF-funded Welsh programme, Women Adding Value to the Economy (WAVE, 2012-2015) sought to research and tackle the drivers of gender pay gap (Parken, 2015). Employment and pay analysis with collaborating case study employers in the public sector indicated the need to support job progression throughout the grade structure. This summary case description highlights WAVE actions that were specifically designed to address progression from the lowest grades, where part-time working patterns were the norm. It demonstrates the importance of challenging assumptions that low-paid workers do not want progression and the value of employee engagement.

**Horizontal progression**

A participating Local Health Board was supported to undertake consultations with laundry staff working part-time on the lowest Agenda for Change pay band (Parken, 2015). Contrary to the assumptions of line managers, staff revealed considerable aspiration for more hours of work and more opportunities to progress. A programme of literacy and numeracy training was implemented by learning and development coordinators, which enabled these staff to apply to become health care workers (Agenda for Change bands 3 and 4).

The consultation also revealed anxiety among low-paid staff about how much more they could earn per hour or additional hours they could work before incurring a disproportionate reduction in household working tax credit (Parken and Ashworth, 2018). WAVE facilitated a programme of seminars with staff and their line managers, jointly provided by JobCentre Plus and Citizens Advice Cymru, to explain working tax allowances and other available welfare transfers. As a result, line managers could advise staff, and were also better aware of the need to provide stability when offering additional hours to avoid the financial insecurity that can result from offering ‘one-off’ opportunities.

**Improving employment contracts**

A health board employer was supported to consult with ‘bank only’ nursing staff to understand their reasons for not seeking permanent contracts. A combination of issues related to work design were identified including lack of flexible working, difficulties with set shift patterns, lack of permanent specialist roles and geographical location (travel time and
cost). Following this engagement, staff interested in permanent roles were given early warning that permanent vacancies would be advertised, with the result that over 90 ‘bank’ staff moved into permanent jobs (last measured in February 2017).

In parallel, a participating local government employer removed the terms ‘full-time’ and ‘part-time’ from employment contracts and job titles to address the undervaluing of workers and the work that they do. Part-time workers can often be described as ‘just’ or ‘only’ part-time, and can be overlooked for development opportunities.

**Job design / diversifying skills mix**

A range of job swapping and job shadowing opportunities were created across the employer organisations involved. One notable success was the movement of administrative staff into IT careers in the health service. These employees often use the same software but for different tasks, and learning is easily facilitated. Movement into IT was further supported by a review of the recruitment process, which revealed that it wasn’t, as had been assumed, that women were not applying for IT roles – rather that women were applying, regularly being interviewed but not being appointed. As a result of this finding, recruitment methods were reviewed.

The more difficult task, but perhaps the one most needed in the context of changing technology and working age population, was tackling job design. More specifically, the challenge was to increase the breadth and depth of skills and tasks, leading to the revaluing of jobs that can be currently described as entry level and lacking progression opportunities.

WAVE supported a higher education employer in the creation of new flexible generic services roles, encompassing a variety of previously gender segregated jobs. Using a values-based recruitment approach, the employer increased the proportion of women in senior roles and enriched skills and task learning. Roles are now rotated on a frequent basis between team members, such that staff can cover landscaping, security, catering, cleaning and customer service roles as required.

All the actions described in this summary were embedded in workforce planning and development after WAVE completed (June 2015). However, sustained support is needed to alter to job design and employment types across sectors (Parken and Ashworth, 2018). In this regard, the evidence provided by our expert group is particularly helpful (Appendix 1).
Job progression models

This section focuses on job progression models. It emphasises the robust evidence underpinning pathway models and also points to further models, which have a less robust evidence base but are supported through small-scale evaluations, expert judgement and evidence from practice.

Pathway models

Pathway models are job progression initiatives that focus on supporting workers into work and continue to support workers in work so that they can continue to progress. A synthesis of the literature suggest that five principles inform a pathway model design (Mills and Prince, 2003; Horne and Milasi, 2016; Luchinskaya and Green, 2016; PRI and ICeGS, 2012):

1. Collaboration between employers, employees and training providers in designing progression pathways;
2. Being objective orientated, ideally within specific sectors;
3. Job progression initiatives demonstrate an identifiable path of progression for employees from entry to progression;
4. Job progression initiatives provide appropriate skills that are relevant to organisations and ideally, particular sectors; and
5. Employers have a long-term vision, supported by a commitment to providing more work and flexible job-design through adequately resourced training and development programmes.

WorkAdvance Programme, USA: the dual customer approach

In the USA, the Workforce Innovation and Opportunity Act (2014) has supported the implementation of dual customer approaches by providing federal funding to training and development that is supported by employer-employee collaborations.

A promising example of a pathway model is the WorkAdvance programme. This model follows a ‘dual customer approach’; creating a progression pathway that serves both employer (addressing skills gaps and improving productivity) and workforce (meeting training needs and providing progression opportunities) needs concurrently (Holland, 2016; WINS,
2008). Practically, this means that job progression initiatives are designed through a collaborative process between employers, employees and skills providers. Employers first need to identify relevant skills gaps. Second, initiatives must give employees useful skills that allow them to progress in-work or move into new forms of better work. Third, appropriate training providers must be selected who serve both employer and employee needs and provide sector-orientated training. Dual customer approaches are underpinned by supportive HR structures, which help identify skills gaps and facilitate employer engagement with the workforce (Green et al., 2016a). The dual customer approach negates skills gaps through targeted and sustained upskilling interventions. This can help support the development of an economic strategy that creates a pipeline of qualified workers (Green, 2016).

WorkAdvance was launched in 2011 in the states of New York, Ohio and Oklahoma, and remains an active programme. It is targeted at the IT (New York), transportation (Oklahoma), manufacturing (Oklahoma) and healthcare (Ohio) sectors (Schaberg, 2017). It involves: the screening of applications; sector-focussed pre-employment training; sector-specific occupational skills training; sector-specific job development and placement; and post-employment retention and advancement services (Green et al., 2017). In providing occupational skills training to employees within targeted sectors, it does not exclude the possibility of enabling horizontal progression for upskilled employees (Hendra et al., 2016). A robust evaluation of the programme highlights the positive impact of the WorkAdvance model on employee earnings in two low pay sectors, manufacturing and healthcare – see Table 1 below.

Table 1. WorkAdvance earnings progression results

<table>
<thead>
<tr>
<th></th>
<th>Manufacturing: Madison Strategies Group, New York</th>
<th>Health care: Towards Employment, Ohio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WorkAdvance Group</td>
<td>Control Group</td>
</tr>
<tr>
<td>Year 1 earnings ($)</td>
<td>13,261</td>
<td>12,933</td>
</tr>
<tr>
<td>Year 2 earnings ($)</td>
<td>16,640</td>
<td>14,822</td>
</tr>
<tr>
<td>Year 3 earnings ($)</td>
<td>16,197</td>
<td>14,826</td>
</tr>
<tr>
<td>Currently employed in year 3 (%)</td>
<td>77.5</td>
<td>74</td>
</tr>
<tr>
<td>Full site sample size</td>
<td>353</td>
<td>344</td>
</tr>
</tbody>
</table>


Table 1 shows a clear increase in earnings among the WorkAdvance groups monitored. Across the manufacturing and health sectors, a significant increase in earnings is noted by year two. While the control group in the health sector shows some signs of earnings catch-up by year 3, other sectors showed the WorkAdvance groups’ earnings consistently trending
above their control groups’ earnings by year 3 (Schaberg, 2017). This suggests the programme had a significant incremental impact on earnings. The programme also improved workforce retention, with WorkAdvance participants were more likely to remain employed beyond year 3. The evaluation of the programme is ongoing.

The grounding of the WorkAdvance programme in a dual customer approach also resulted in strong employer buy-in, in advance. The robust evaluation supporting the programme added confidence in the model, and expert discussions have indicated that the utility of the model is currently being explored in the UK and beyond.

**Sector-focussed career centres**

A similar pathway model underpinned the design of New York City’s sector-focussed career centres. The three centres were set up to serve the high-growth industries of transportation, advanced manufacturing, and health care. Programme participants were provided industry-specific training to help them progress to higher-wage jobs and improve their career potential. The centres formed part of a wider sector development strategy, which focussed on creating a pipeline of suitably skilled workers to sustain high-growth sectors, while simultaneously reducing poverty among sector employees (Gasper and Henderson, 2014).

An assessment of the impact found that sector-focussed career centre participants earned on average $5300 more the year after exiting the training programmes, when compared to a group of matched participants who were enrolled in similar workforce career centres (Gasper et al., 2017). This cohort comparison was appropriate because workforce career centres offered a similar set of services to the sector-focussed career centres, without offering sector-focussed training and support. This allowed the study to estimate the difference a sector-focussed approach had on earnings.

There is promising evidence of initiatives in Wales that follow a sector-based approach. Skills Growth Wales (SGW) was funded via the European Structural Fund and ran between January 2009 and June 2010. It was initially targeted at the automotive sector but was extended to other sectors where businesses were threatened by the Great Recession. SGW supported businesses by providing new technology skills training. An additional extension to the programme opened in 2012 and ended in April 2015 (ICF Consulting Services, 2016). 61% of the trained employees interviewed for the evaluation reported that the training enabled them to expand the range of activities they carried out in their job, and 52% indicated that the training had allowed them to take on more responsibility at work. Progression in relation to earnings was not systematically assessed as part of this evaluation (Ibid).
Learning and Work Institute: skills escalator and ‘Step Up’

The West London skills escalator pilot and ‘Step Up’ programmes run by the Learning and Work Institute had many features of the pathway model. The West London Skills Escalator Pilot worked with recipients of housing benefit to increase their skills and enable them to progress to improve earnings (Colechin et al., 2017). Programme participants were enrolled between the last quarter of 2014 and first quarter of 2016. They received tailored training depending on their needs. This ranged from English as a Second Language (ESOL), to book-keeping and accountancy. Beginning in Harrow and Hounslow, delivery was extended to Ealing and Barnet in 2017. Evaluation of the Harrow and Hounslow pilots, through programme management information and qualitative interviews with participants and staff, shows monthly earnings increases of £430 (Harrow) and £529 (Hounslow) respectively by March 2018. External progression to a new employer, as opposed to progression in-work was the most common route to increasing earnings (58% of participants). Internal progression within existing jobs resulted in lower increased earnings. Overall, Skills Escalator clients earned on average £147 more per month when compared to a sample of matched individuals of a similar background and in similar roles, which was drawn from the Longitudinal Labour Force Survey (LLFS). However, these figures should be treated with caution as matching was based on an incomplete list of variables in the data (see Colechin et al., 2017: 84-85).

Manchester, UK: Working Well

A new programme running in Greater Manchester has focussed on developing a pathway to help people get into and move up in work. The Working Well programme is an initiative of Greater Manchester Combined Authority (GMCA). Started as a pilot before being expanded, the programme currently focusses on supporting 20,000 benefit claimants into work. While the programme focussed primarily on getting people into work, the presence of a substantial in-work support system to ensure that people stay in work and progress in-work, allows for valuable lessons to be drawn about what works to enable job progression (The Growth Company, 2018). The key features of the programme are: providing personal support; a talking therapies service; and, a skills for employment service (GMCA, 2018). Within the programme, Job Centre Plus work coaches play a key role as intermediaries who refer clients to the programme. Support for clients is continued once they are in work. While many clients are recruited into low-pay sectors, an evaluation in 2017 noted that 62% of those who started a job more than 12 months previously were still in work. While this was below a 75% target, the programme continues to be supported and have an impact. While the impact of the programme on supporting job progression for those now in-work has not yet been evaluated, the support mechanisms provided by the programme are reflected in other effectively evaluated models. In particular, the focus on a tailored approach and continued career support for individuals once in work.
Promising initiatives

The following summary expands on further initiatives highlighted by the expert group roundtable discussions. Many of these examples are new approaches; the evidence base remains emergent and is drawn mostly from evaluations conducted by the sponsoring organisations themselves. Overall, there are relatively few examples of job progression initiatives focused specifically on in-work progression in low paid sectors.

Effective use of career advisers

The Employment Retention and Advancement (ERA) demonstration was run by the UK government between 2003 and 2007 (Sianesi, 2018). The programme offered a mix of financial incentives and adviser support to help participants stay in work and progress. An evaluation of the programme by Ray et al. (2010) based on survey data and secondary qualitative analysis, examined the trajectories of participants over a two-year period. The evaluation found positive examples of in-work progression, including increased hours, moves into more senior positions, further training and increased responsibility. It found that employer support and the provision of in-work training was crucial to help support progression. The evaluation also showed that the programme helped workers make career decisions that could lead to horizontal progression, resulting in better pay and job satisfaction. It is important to note that the evaluation also found that progression for those with ‘broken’ employment was more difficult. This suggests that providing sustained support to keep people in work through progression initiatives is crucial to improve people’s work trajectories.

Targeted upskilling interventions

The workforce development programme (WDP) was launched in 2005 and funded by the Welsh Government. The programme was designed to help businesses in Wales review their staff development activities and identify their training needs (Bryer, 2016). Workforce development advisors contracted by the Welsh Government carried out a diagnostic review of staff development and helped build a skills development plan for businesses by identifying existing approaches to training, training requirements, and broader issues and challenges facing each business. In total, the programme supported 4315 SMEs between April 2011 and March 2015 by providing a diagnostic and advisory services to businesses. The programme’s evaluation found that 98% of the businesses believed they could not have met their staff training and development needs without the support offered by WDP. 48% of training participants who were surveyed as part of the impact assessment felt there had been a positive improvement in their pay as a result of WDP, and 30% believed there had been a positive impact on staff retention in the workplace.
The Arbeidsforskningsinstituttet (Work Research Institute) in Norway has undertaken a variety of initiatives to support job progression. While few of these have been evaluated in a systematic manner, reviews have highlighted effective principles of job progression design focused on targeted training, which informs the institute’s overall work. Two of these stand out. First, the importance of ensuring that support provided to individuals will give them skills that are required and desirable in the labour market. Second, working with targeted groups in a way that ensures training programmes meet their needs. The institute’s work undertaken through the Labour Market Enterprise programme (which started in 1995) focused on particularly vulnerable groups, such as disabled people who may have previously exited the workforce. An evaluation conducted in Norway found that there had been a positive development during its first five years, with participants staying in and moving up in-work (Spjelkavik, 2004).

Developing adult learning to meet skills needs: Evidence from the Nordic countries

A study of the health care sector across the Nordic countries (Nordic Council of Ministers, 2014) has highlighted the importance of investing in quality skills. In Norway, the ‘Competence Plan 2015’ has focused on increasing the skills and competency of staff in the health sector by:

- Raising the educational level through formal education;
- Increasing the interdisciplinary profile of health sector workers;
- Improving guidance and internal training; and
- Providing continuous training.

In Sweden, a similar approach underpinned the ‘Skills Escalators Programme’ (Kompetensstegen). In this programme, funding incentives were offered to Swedish municipalities to help them provide continuous education to their health care staff. Interviews conducted with employers in Norway and Sweden who were involved with the programmes suggested that they helped improve employee retention. However, less information is available on whether the programmes had a tangible impact on in-work progression. According to interviewees, the most effective type of upskilling provided practical and vocational skills.

In Sweden, recognizing a lack of full-time work opportunities in occupations most associated with ‘women’s work’, a coalition of the Work Environment Authority, the National Institute for Working Life, the Public Employment Service, the Office of the Equal Opportunities Ombudsman and the Swedish ESF Council, undertook a four-year collaboration (including 63 local projects) to increase the stock of full-time jobs. By 2015, 57% of municipal authorities /
66% county councils were committed to the scheme, and there had been a 5% decrease in the full time employment gender gap (EIGE, 2017, in Parken, 2018).

**Flexible progression pathways: Timewise, UK**

Offering employees flexible pathways to progress can ensure that workers on part-time contracts can also take advantage of progression opportunities. Timewise worked with retail employees to implement flexible working initiatives. Their approach had five stages: (i) business case, (ii) capacity of an organisation, (iii) prioritisation of job options, (iv) piloting, and (v) measuring the change of flexibility initiatives.

One of the pilot case studies, Pets at Home, showed how two flexible job designs — job share partnerships and part-time — allowed employees to take advantage of new opportunities, and it increased productivity. Timewise consulted the Pets at Home workforce, which revealed that employees wanted more flexibility in their pursuit of promotion and that current practice meant that employees on full-time contracts found it easier to progress. This resulted in two flexible job designs being pursued: one focussed on job share partnerships, with each partner working a minimum of three days a week; and a part-time job design, with the job holder working a minimum of four days. These job designs helped open progression pathways to more women and others on non-standard employment contracts, who tended to work part-time or flexible hours. As a result of the programme, Pets at Home now offer management roles on a part-time basis (Timewise, 2016).

**Harnessing procurement**

There are promising examples of local government social procurement initiatives that have demonstrated how incentives can be offered to employers to embed job progression in recruitment and employee management practices. For example, Leeds and Glasgow councils have set up charters which emphasise social value and the Councils have encouraged businesses to comply with these charters (Leeds City Council, 2016; Glasgow City Council, 2018). These charters usually involve a commitment to providing job progression opportunities to employees, in-work support, training for employees, initiatives to improve job satisfaction and support improved working conditions. Social value charters can be effective in setting out what local councils expect from businesses they work with and offers a mechanism for building job progression criteria into partnerships (Goff, 2016). As such initiatives are recent or current, however, less evidence is readily available on the social impacts achieved via these initiatives - and impacts on job progression in particular.

Survey data on Greater Manchester’s ‘community benefit’ clauses - linking procurement activity to job creation, found that 5225 jobs were supported through place-based procurement activity. This activity not only created new jobs, but also committed suppliers to providing further development and progression opportunities for their employees (Jackson, 2010).
Evidence from Scotland shows that ‘community benefit’ clauses are increasingly being used in public sector contracts. An analysis of 24 contracts showed that 73% of apprentices would not have been recruited without community benefit clauses and that 31% of employees would not have received training without community benefit clauses. The report also acknowledges that community benefit clauses had an impact on changing employer mindsets, making them think about the need to develop and retain employees. The report concludes that while these initiatives are promising, there is need for a more robust and comprehensive evidence base (Sutherland et al., 2015).

In Wales, Morgan et al.’s (2017) case study of Aneurin Bevan Health Board in south east Wales highlights the dominance of procurement schemes that favour ‘best value’. They conclude that both local authorities and Welsh government should take further action to prioritise procurement practices that offer meaningful social value and job progression. Regional city deals offer potential to facilitate procurement practices that prioritise workforce development and job progression (Sissons et al., 2016). While in their infancy, many ‘city deals’ have a clear commitment to getting people into work and there is potential for them to foster a focus on job quality and job progression, through placed-based commissioning and procurement (RSA, 2014; Waite et al., 2017). The effectiveness of ‘city deals’ in fostering job progression should be evaluated, as they become established.

Finally, while there are promising examples, procurement is not a simple policy lever to exercise well. Evidence suggests that small employers can struggle to meet procurement criteria and, for all organisations, effective contract monitoring can require significant resources (Loosemore, 2016; Meheen et al., 2017). For example, the Welsh Government’s ‘Code of Practice: Ethical Employment in Supply Chains’ (Welsh Government, 2018b) is intended to expunge illegal employment practices and encourage positive alternatives throughout the supply chains of all organisations receiving funding from the government. How organisations will ensure their suppliers meet the code of practice – and how much capacity they can dedicate to doing so – is as yet unclear.

Intermediary organisations as enablers

Intermediaries can play a positive role in helping to broker the design and implementation of job progression initiatives in collaboration with employers and employees. Trade Unions are particularly well placed to identify workforce aspirations and needs, and to work with employers to design training opportunities that meet skills gaps and lead to job progression (Green et al., 2016). Researchers examining workforce redesign in NHS Scotland conducted 45 interviews and identified that trade unions helped regulate job redesign, communicate it to employees and ensure that job progression initiatives matched employee expectations (Findlay et al., 2017a; 2017b).
In Wales, the Trade Union Congress (TUC) has run the Wales Union Learning Fund (WULF) since 1999. WULF projects are made bespoke for individual organisations and can include any one or all of the following elements:

- Bespoke courses to meet specific vocational needs;
- Support to improve Essential Skills (literacy and numeracy skills);
- Partnership working with employers, learning providers, community groups and other partners;
- Advice and support through networks of workplace union learning representatives;
- Resource provision; and
- Workshop events and digital resources (Trade Union Congress, 2017).

An evaluation of WULF Services from 2010-2013 found that they helped support adult learning in Wales. A majority of representatives and participants in an online survey believed that that the TUC programmes had supported them to better do their job and gain needed skills (Barlow, 2016). Existing programmes may provide a basis for further developing in-work support in collaboration with unions.

Trade Unions have effectively been mobilised in other countries to support progression. Between 2002 and 2005, The Department for Education and Qualification in Germany undertook the life and work (Leben und Arbeiten) project. The project was set up to provide new skills to employees, with a focus on ICT skills. The project aimed to foster collaboration between trade unions, companies and vocational trainers to create employee-orientated and high quality ‘training coaching’ (Bildungscoaching). The project focussed on using training coaches – who were usually drawn from workplace trade union representatives – to help improve the capacity of workers to plan their career progression and identify their future skills needs. A similar approach has been adopted in Denmark, where trade union representatives have been used in the workplace as career coaches. While the use of unions as intermediaries was positively received by employers and employees, further evidence is needed to identify which actors might act as appropriate intermediaries in low union density or non-unionised workplaces (Cedefop, 2008).

Our discussions with experts also identified social housing providers as potential intermediaries who have the trust of tenants and are increasingly supporting them to manage the change to in-work welfare transfers, particularly the interaction of the work allowance and housing benefit elements of Universal Credit.
Synthesis of key factors

This review has considered the available evidence for ‘what works’ to promote job progression, and because there has been little formal evaluation of job progression initiatives, also considered promising practices. (See Appendix 1 for our summary note of the expert group discussion of the evidence base in July 2018).

Key barriers to overcome

Barriers preventing progression can be categorised into four types. The first are employment conditions, including working part-time hours, permanent and casual, temporary or zero hours employment contracts. In-work progression is correlated to working on a full-time, permanent basis, and part-time workers are routinely not included in development appraisals (Parken and Ashworth, 2018). In addition, workers on non-standard job contracts can be disincentivised if they are required to sacrifice working hours for upskilling opportunities, and when upskilling initiatives for part-time and other non-standard workers often occur outside of contracted work hours.

Second, the quality of management practices, and arrangements that deny employees the autonomy and flexibility to pursue job progression opportunities, are barriers. The third type of barrier is the reluctance of employees to pursue progression if it results in slight financial gain, complicates or results in disproportionate loss of in-work benefits, and comes with an expectation of providing additional hours of unpaid work to the detriment of work-life balance (Green et al., 2016a). Finally, it is also important to note that gendering of occupations, contract types, working patterns and grade distributions particularly impact on women’s access to in-work training opportunities, and consequently their ability to progress.

Employers clearly need support to introduce better management practices, including job ladders from entry-level jobs (vertical and horizontal); training opportunities need to be offered at flexible times and places, and within core hours; and longer-term job progression needs to be linked to improving the design and quality of jobs (enriching skills and task requirements) leading to their re-evaluation.

Factors in effective interventions

Our review supports an aggregate association between training and increased earnings, but also shows that employees in low-paid sectors struggle to acquire new skills and even when they do, job progression is not guaranteed. As Henseke et al. (2018) note, policy makers can
no longer assume that increasing the supply of skilled workers is alone sufficient to shift the economy to greater skills use.

Where training or gaining qualification is linked to becoming employed or increasing earnings, outreach, relationship building and one-to-one engagement, often through trusted intermediaries, is crucial. Positive outcomes are also demonstrated by employer-led informal progression initiatives such as mentoring and job switching, which provide employees with wider experience of job roles, potentially leading to horizontal progression opportunities.

However, the best evaluated evidence strongly suggests that job progression initiatives, sector-based or place-based, work best when they are jointly designed by employers and employees and supported by trusted intermediaries, as this ensures valuable outcomes for all. For employers, positive outcomes may include gaining new skills that open new market opportunities, increases in productivity, and worker retention. For employees, benefits may include not only an increase in earnings, but also greater autonomy and job satisfaction. We described these as pathway models, and in particular recommend a ‘dual-customer’ model developed in the United States.

A dual customer approach can be successfully augmented through relatively low-cost initiatives, such as mentoring and job shadowing. Effective dual customer approaches provide workers with a flexible route to upskilling, by providing access to both on-the-job training and formal accreditation. The dual customer approach is sector-focussed. Its delivery of key occupational skills to workers in targeted sectors could also include generic skills training, which enables workers to move between sectors; this however has not been the focus of its current application.

Procurement initiatives are potentially an effective policy tool for encouraging progression models. In Wales, Fair Work principles could flow into procurement initiatives, for example by giving a meaningful weighting within tender assessment to the provision of full-time permanent work and to gender, age and disability sensitive progression initiatives. Such initiatives can build on the Welsh Government’s ethical procurement framework, Better Jobs Closer to Home initiative, and Fair Work Commission (Welsh Government, 2018c).

There are also simple steps that can be taken to encourage the voluntary adoption of progression schemes. The clear communication of the benefits of job progression for both employers and employees, as well as assistance in designing job progression models, could increase the voluntary uptake of job progression models across sectors. Trade unions and housing associations can also play a positive role in helping with job redesign and communicating job progression opportunities to employees.

It is also important to consider how employers and employees find out what skills are in short-supply or where there are skills gaps/mismatches. New LMI data from the Welsh
Government will help in this regard but an individually tailored approach would suggest that frontline services supporting businesses and workers will need to be equipped to discuss skills and progression with employees and employers.

Interventions to support better job progression of course take place within a wider policy and public services context. Effective job progression models need access to good quality in-work training provision, and career roadmaps that are clearly communicated to people in low pay roles. This analysis suggests that employer support could be prioritised for SMEs and large organisations, as these organisations are likely to have some human resource management capacity for advisors to connect into. The additional implication of this evidence review is that support could also be offered to public sector employers who have large numbers of low-paid employees within pyramid employment structures (Parken and Ashworth, 2018).

Finally, an important step in designing and implementing new job progression models in Wales will be ensuring the match between available adult learning provision and future job ladders. While this has not been the focus this report, it has clear implications for the implementation of good job progression initiatives.
Actions for consideration

Thus far most government programmes promoting job progression have focused on high-skilled, high-value industries in Wales. It will likely take time to embed a focus on promoting job progression in low-pay sectors, in part because of the complexity of the task, and because of the lack of evidenced models available. Accordingly, we suggest the following actions for consideration:

1. Investigate the dual customer model for job progression as potentially providing a framework within which a coordinated government support offer can be made across both employers and employees, embracing all partners offering careers advice, mentoring, upskilling, education and training provision to in-work adults and their employers. Significant outreach provision will be needed, and work-based training networks, social partners and social housing providers might be helpful allies.

2. Trial, and evaluate, a dual-customer approach in one of the four foundation economy sectors such as health and social care, or in a sector identified as growing, such as accommodation and food, wholesale or retail. Trials could also usefully focus on an occupational grouping such as administration, which exhibits a high volume of part-time work, is low-paid, and offers few progression opportunities regardless of sector.

3. Social value procurement initiatives show promise as a further mechanism to promote job progression in low-paid work. Next steps could include support to further trials in Wales building on the Economic Contract and Better Jobs Closer to Home initiative, to develop a growing understanding of the actual impacts on job progression over time.

4. More support for employers. As illustrated by the WAVE programme, simply encouraging employers of low-paid low skilled employees to ask them about aspirations to progress, can drive progress. More advisors might therefore be encouraged to discuss job progression as a positive method for attracting and retaining employees with employers, routinely. The ‘offer’ could include employer support for creating internal labour markets and job ladders, job re-design and improving job quality. Similar support could also be given to public sector employers through employer networks, and representative associations.

5. Consider how the provision of job-related advice for in-work adults in low pay sectors could be expanded, as a way to bridge the gap between people and progression opportunities. This could include support for low-paid employees to think about jobs that might provide increases in pay, and to know how to access the advice and information on the skills that they will need.

6. The evidence on barriers to job progression shows that learning and development opportunities need to be tailored to enable the employed workforce to access them,
including more accessible information and flexible timings. Providers should be encouraged to adapt courses and services to meet these needs.

7. Further research is needed to enable us to understand more about what works – and what doesn’t – in supporting job progression, especially in the context of changing technology and of the working age population. Government and delivery partners can contribute to this knowledge base by ensuring evaluation is considered from the start for new initiatives.

Finally, the above actions for consideration focus on programmatic interventions to support job progression. As highlighted at the beginning of the report and articulated also by the Joseph Rowntree Foundation (2017b) and Resolution Foundation (D’Arcy, 2016), programmatic interventions should sit alongside ongoing efforts to align skills policy and industrial strategy in Wales, as well as seeking to counter structural job market barriers.
Promoting job progression in low pay sectors

References


Annual Survey of Hours and Earnings (ASHE) Estimates of the number and proportion of employee jobs with hourly pay below the living wage, by parliamentary constituency and local authority, UK, April 2016 and April 2017. Viewed 04/08/19


Bell, M., Bristow, D., and Martin, S. (2017) The Future of Work in Wales, Cardiff: Wales Centre for Public Policy


European Institute for Gender Equality (2017) Gender Equality Index, Vilnius: European Institute for Equality pp.363


Gregory, R. (2018). **Minister thanks Wales’ training providers but wants more to boost skills**. Wales 247. Retrieved from: [https://wales247.co.uk/minister-thanks-wales-training-providers-but-wants-more-to-boost-skills/#ixzz5Ng3NKAjN](https://wales247.co.uk/minister-thanks-wales-training-providers-but-wants-more-to-boost-skills/#ixzz5Ng3NKAjN)


Promoting job progression in low pay sectors


Promoting job progression in low pay sectors


Promoting job progression in low pay sectors


Appendix 1: Insights from the expert group

Promoting job progression from low-paid, often insecure work will involve a collaborative approach involving the Welsh Government, employers and employees, further and higher education, careers and business advice services and work-based training providers. Therefore, alongside our evidence review, we convened a symposium to discuss barriers and solutions with 40 in-work training and further education providers, employers, employer representative groups, academics and Welsh Government policy makers.

We subsequently discussed the issues and ideas raised in the symposium with a subset of participating practitioners and education and labour market experts. We have expanded on the key learning from the expert group on job progression models throughout this report. The following summarises the range of evidence and ideas that emerged from the group discussion.

Policy insights

Experts agreed that better information is needed on the likely shape of future labour markets; the jobs, skills, knowledge, employment contracts types and working patterns that will be needed for jobs and careers in future. Finer estimations on the impact of AI, digitisation and automation across the economy and, particularly across the whole of the wage distribution, will be needed.

New labour market intelligence has recently been commissioned by the Welsh Government, although its aim and coverage was not discussed. Better information on how the structure of work creates inequalities by gender, age, and for workers with ill health and disabilities is also needed. The Welsh ‘boost’ results from the Skills that Work for Britain Survey should be available from January 2019 (GB results released in July 2018).

Experts considered that the world of work has already changed for the 25-40 age group, and that City Deals and changing requirements for skills would not be met by school leavers - training/retraining was needed for the existing adult workforce, particularly the 25-40 group who have suffered from increased training and education costs and reductions in provision, over the past decade. In addition, new skills and retraining will be needed to be targeted at older workers who are tending to stay in paid work longer than previous generations.

Our experts considered that in-work training should be targeted towards labour market skill gaps, mismatches and shortages, and that this will require occupational profiling, tailored programmes, and that Wales may need to consider training more people than are needed, to
increase employability throughout the supply chain. There are 500,000 graduates in Wales working in jobs below their qualifications levels - the issue of job quality and overqualification also needs to be addressed by increasing the demand for middle and high skill jobs.

Experts discussed the current level of growth and growth forecasts in the four foundation sectors, and the considerable change each sector is undergoing. While the best evaluations suggest, and several experts agreed, that the Work Advance sector based job progression model shows the most promising results, labour market flux would suggest that place-based initiatives should also be considered. Experts contributed information on several promising initiatives, which we subsequently examined in the evidence review:

- The evidence base for job progression is strongest for pathway models. The ‘Kids aren’t alright’ report suggests government should agree sectoral deals that focus on designing clear progression paths, maximising progression opportunities for those in part-time/flexible roles, targeted funding for specific training and qualifications gaps and incentivising firms to improve the skills of their workforce.

- Learning from the Career Learning Pilots in England, which supported adults in work in low skilled jobs, provided ‘face to face’ advice and guidance. The view is that learners should pay a nominal amount towards their training to foster on-going motivation to attain an award.

- The Monkton example (LWI) showed how adult education should be anchored in the community as a strategy for giving workers skills that can lead to job progression. Second pilot being run in Caerphilly.

- Experts contributed further examples of initiatives such as the West London Skills Escalator pilots, Greater Manchester initiative, Step-Up London and Glasgow City Deal - these examples are expanded below.

- There is a growing evidence base for the success of procurement for social value models to support job progression for low paid workers on non-standard contracts. In Wales, the Fair Work initiative can promote equality and job progression requirements by giving due weight to these outcomes in service design and commissioning.

In addition to the policy discussion, specific aspects of business support, careers advice and targeting of training were provided by our expert group.

**Employer support**

- The Careers Wales and Business Wales advisory gateways should be brought together - integrate employer/employee advice.
• Attrition in workforce planning and development skills has led to employers being more focused on external recruitment rather than recruiting from within. Decisions about promotion and pay at lower skills levels are no longer made by the line managers who know the workforce.
• The rise of the ‘gig economy’ might be seen as a reason for not investing in staff training. Survey results show that ‘gig’ workers felt employers would not invest in them.
• Employers are feeling under pressure from the living wage to raise productivity - this may provide engagement openings.
• Individual career management support is needed for managers so that they can provide opportunities, assess skills needs now and plan 5 years ahead.
• The network of work-based learning providers deals with 35,000 employers - these providers could be a valuable conduit for information and advice on the importance of job progression and how to set it up.
• Collective apprenticeship provider schemes can be effective (an example in England where 12 local authorities run a combined scheme). [Examples run in Wales are acknowledged but were not discussed on the day].
• There was some support for the idea of a ‘Fair Work’ employer league table.

Employee support

• DWP Job Coaches will continue to support employability clients whilst in their new roles with the aim of fostering retention and job progression.
• Outreach and an individual approach is key - many employees may fear re-engagement with training/education - coaching support may needed to boost the motivation to learn.
• ‘Build it and they may not come’ - Flexibility in provision of training is key (above L2 in particular) - fixed locations/times do not fit with multiple jobs and family commitments.
• The propensity for employees to change jobs has reduced but is not known why.
• L3 qualifications are needed but do not exclude IT at L2 etc. (Diamond L3 plus).
• Housing Associations can be trusted Intermediaries - they have good relationships with tenants (61% of whom are in receipt of Universal Credit). Housing Associations also benefit from reduced rent arrears when their tenants are in work and bale to access higher earing roles.
• There is a need to address a lack of knowledge on apprenticeship and other training that self-employed people can access.
Appendix 2: The foundational economy approach

A foundational economy ‘approach’ represents a paradigm shift in economic thinking (Bowman, 2014). The academic literature on the potential for growth and civic participation situates the foundational economy as central to economic well-being. This is a separate idea to the policy focus on skills, paid hours of work and higher earnings in the goods and services that support everyday life. In the UK, between 35-50% of the workforce is employed in the delivery of essential services (Bentham et al., 2013).

The Economic Action Plan (WG, 2017a) highlights care, retail, tourism and food processing as foundation economy sectors. The Welsh Government intends to foster progression from all low pay jobs but these historically undervalued sectors of the Welsh economy, are often the main sources of employment in Wales’ deindustrialised areas, and they are interconnected:

- The relationship between a strong retail offer and tourism;
- The link between retail and the quality of our town centres and the competitiveness of our cities;
- The impact that food production and processing have on the Wales brand;
- and the links between community, place and the provision of care for the very young and older people (Welsh Government, 2017a).

Evidence from the expert group roundtable suggests the four foundation economy sectors may be particularly subject to changes in automation and Brexit effects. In addition, there is variation in the sectors and occupations in focus across the Regional Skills Partnership development plans. For these reasons, we have not confined this review to the four foundation economy sectors but consider low-paid occupations more generally.
Author Details

**Dr Jonathan Webb** is a Research Officer at the Wales Centre for Public Policy.

**Dr Alison Parken** is an independent expert, who previously led the Women Adding Value to the Economy (WAVE) Project.

**Helen Hodges** is a Research Officer at the Wales Centre for Public Policy.

**Dr Megan Mathias** is a Senior Research Fellow at the Wales Centre for Public Policy.

For further information please contact:

**Jonathan Webb**
Wales Centre for Public Policy
+44 (0) 29 2087 5345
info@wcpp.org.uk