



Developing progression and upskilling pathways for employers: a sectoral focus

Evidence and practice review

November 2019

EXECUTIVE SUMMARY

Employment is at a near-record high but rates of in-work poverty in the UK have grown substantially over the last few decades. Evidence suggests that this is not just a crisis of low pay, but also one of progression with just one in six workers escaping from low pay.

This report reviews initiatives designed to create or develop upskilling pathways within different sectors to help build understanding of how to promote in-work progression for low wage workers. Initiatives either supported in-work progression for individuals already working in entry level jobs within a sector, or supported individuals to progress into new sectors, by providing the specific skills and support required.

Evidence on impacts suggests that sector-based programmes can have make a significant difference across a number of outcomes, including participation in vocational training, qualifications, employment, job tenure and earnings. Given that most of these initiatives are US-based, gauging the scale of wage change that might be achieved in the UK through sectoral programmes is difficult.

The success of these programmes suggests that making substantial investment investments to enable individuals to get the 'right job' may be more effective than 'work first' approaches followed by in-work support. Relatively few initiatives focus solely on in-work progression. The main aim of many of the initiatives reviewed was to enable individuals to gain entry to good-quality employment opportunities which provide the opportunity for future progression and career advancement.

Evidence suggests that several factors have driven the success of sector-based programmes:

- 1. Partnerships and employer involvement.** All the evaluations and reviews of sectoral initiatives highlight the importance of employer involvement to identify specific business needs and how best to address them within a local context. This requires bringing employers on board at an early stage; ensuring staff can effectively manage employer relationships; clear messaging; and targeting 'high road' employers.
- 2. Occupational training.** Central to upskilling low wage workers is the provision of occupational training which may or may not lead to a qualification. Effective occupational training tends to be flexible and based around needs of participants; linked to real jobs and careers; and reflective of employer needs.

- 3. Other forms of support.** A number of programmes include financial incentives and support, although evidence suggests that this carefully incorporated within a wider package of support to be effective. More holistic support – in the form of employability or life skills training; specialist advice to identify career goals or directions; in-programme job search and/or placement support; and post-programme support to help with job retention or job search/placement – was a feature of a number of particularly successful initiatives.

Building on this, future UK-based sectoral approaches designed to support in-work progression should:

- Build in robust evaluation mechanisms from the start to ensure interventions are having the intended impact and that lesson can be learnt more widely.
- Ensure that programme design is based on well-developed knowledge of local labour markets and networks, including employer links.
- Bring together a range of actors in the programme design and delivery to carefully target and tailor provision to the needs of individuals, employers and sectors.

INTRODUCTION

The UK is currently experiencing a period of sustained labour market success. Unemployment is close to its lowest level in over 40 years at 3.9%, whilst employment is 75.9%, a near-record high. However, scratching a little deeper beyond the surface reveals a less positive picture¹. Near-record levels of employment are not delivering for a substantial number of people, with the rates of in-work poverty in the UK growing substantially over the last few decades. Currently just under one-in-five of those living in a working household are in poverty, an increase of 40% compared to the mid-1990s².

The introduction of the National Living Wage has brought some progress across this area, with the first sustained drop in low paid since the 1970s³. Since its introduction in 2015, the number of workers earning less than two-thirds the median hourly wage has fallen from 20.7% to 17.1%⁴. However, the proportion of workers earning less than the Real Living Wage has not changed, currently accounting for just under one-in-five of all workers⁵.

Worryingly, evidence suggests that this is not just a crisis of low pay, but also one of progression. Rather than acting as a stepping-stone to better paid work, low paid workers appear trapped in a cycle of low pay, with just one-in-six workers documented as permanently escaping from low pay over a 10-year period⁶. This trend has eroded the long-held assumption that employment offers a guaranteed route out of and protection from poverty.

Addressing these challenges are essential to tackling poverty and improving living standards in the UK. However, still too little is known about the ways to tackle low pay and support workers to progress, whilst the mainstream employment and skills system is not configured to address these issues, with much focus on supporting those out of work, as opposed to the in-work cohort.

¹ <https://www.learningandwork.org.uk/our-resources/statistical-analysis/labour-market-analysis/labour-market-statistics-october-2019/>

² Bourquin, P., Cribb, J., Waters, T. & Xiaowei, X. (2019). *Living standards, poverty and inequality in the UK: 2019*, Institute for Fiscal Studies

³ Cominetti, N., Henehan, K. & Clarke, S. (2019). *Low Pay Britain 2019*, Resolution Foundation

⁴ Cominetti, N., et al (2019) *Ibid.*

⁵ Cominetti, N., et al (2019) *Ibid.*

⁶ D'Arcy, C. & Finch, D (2017). *The Great Escape? Low pay and progression in the UK's labour market*, Social Mobility Commission

As a result, L&W undertook this review to promote wider awareness and understanding of effective sector-based approaches to tackling skills challenges and supporting in-work progression.

Approach to the review

The review investigates initiatives designed to create or develop upskilling pathways within sectors by working with groups at risk of in-work poverty. The review focused on literature from the United Kingdom, Europe and the United States, published since 2000. The initiatives reviewed either supported in-work progression for individuals already working in entry level jobs within a sector, or supported individuals to progress into new sectors, by providing the specific skills and support required. The target groups across the initiatives included both in work and unemployed individuals of all age ranges. The review includes local, regional and national initiatives, involving a range of different stakeholders. Most initiatives included some form of employer involvement. Apprenticeships were considered outside the scope of this review.

The initiatives included in this review were primarily identified from more extensive existing reviews related to this topic.⁷⁸⁹ Where relevant initiatives were highlighted, the source documents were reviewed, and any additional citations of interest were followed up and included if found to be relevant. Overall, around 50 papers including evidence reviews, strategy papers, evaluation reports and academic papers were reviewed.

Output of the review

The report is structured as follows:

1. A narrative overview of findings, including the nature and quality of the evidence base, partners involved, success factors and broader lessons learnt;
2. An annex of case studies detailing key lessons and implications arising through key project case studies.

⁷ Sissons P, Green A and Lee N (2016) *Supporting Progression in Growth sectors: A Review of the International Evidence*, Policy Institute for Wales

⁸ Sissons P, Green A and Lee N (2017) *Improving Job Quality in Growth Sectors: A Review of the International Evidence*, Policy Institute for Wales

⁹ Green A, Sissons P, Broughton K, de Hoyos M, Warhust C and Barnes S (2015) *How cities can connect people in poverty with jobs* (2015) Joseph Rowntree Foundation

THE EVIDENCE BASE

The evidence available on sectoral progression initiatives varies between initiatives. This section discusses the evidence base in terms of its quality, the outcome measures used to judge success and the scale of impact achieved.

The quality of the evidence available

Literature from the United States offers the most robust evidence, with Randomised Controlled Trials (RCTs) the most common measure used to assess the impact of progression-related initiatives. This paper examines findings from three main RCTs¹⁰, each of which covers multiple initiatives (some of which were not directly relevant to the topic). The findings for each of the separate initiatives have been identified where possible. Just one of the initiatives from the United Kingdom had conducted a RCT to assess the level of impact.¹¹

At the next level down in terms of evidence quality are studies which used a matched comparator group to create a 'counterfactual'. The counterfactual was used to test the difference between the group that underwent 'treatment' and the group that did not in order to assess the level of impact. Beyond these studies, the evidence largely uses 'before and after' designs to measure outcomes. These initiatives focussed on recording registrations and participant attainment, alongside the use of qualitative evidence, to demonstrate the outcomes achieved by the initiatives, as opposed to assessing the level of impact.

Most of the evidence reviewed relates to the measurement of project outputs and outcomes rather than to an analysis of impact. Where impact was assessed, this was often only related to short-term impact. There is relatively little evidence relating to the longer-term impacts of sectoral initiatives. Some literature highlights the need for a longer-term consideration of outcomes in order to allow for a full analysis of the impact of initiatives¹². Where long-term impact was measured, the evidence demonstrates the

¹⁰ See later entries on the Sectoral Employment Impact Study, WorkAdvance and Pathways for Advancing Careers and Education (PACE) for further details

¹² Robert Wood Johnson Foundation (2011) *Better Jobs Better Care: Building a Strong Long-Term Care Workforce*, RWJF National Program

continued emergence of benefits. For example, the **WorkAdvance** RCT¹³ measured positive impact up to two years following the end of the programme.

It is therefore important that future UK-based initiatives build robust evaluation designs into the programmes and do so in a way which allows for the tracking of participant outcomes over the long-run.

Outcome measures used

Most initiatives targeted either job entry and progressions, or exclusively work entry for programme participants. There were relatively few initiatives which focus solely on in-work progression, or on job incumbents. The main aim of many of the initiatives reviewed was to enable individuals to gain entry to good-quality employment opportunities which provide the opportunity for future progression and career advancement. Progression can relate to both internal and external job moves. For example, in some low wage sectors, flat employment structures require individuals to move employers in order to progress.

Evaluations of initiatives tended to measure a combination of whether, and/or how well programmes:

- recruited individuals - particularly when hard to reach groups or individuals with particular needs or characteristics; for example, low English language skills or specific minority ethnic groups.
- trained individuals - most evaluations assessed the educational outcomes of programmes, in terms of training type, course completion and/or certification and attainment.
- improved employment outcomes - a range of measures were used to assess this, including whether individuals were in employment, received a promotion, increased their hours of work, or increased the quality or stability of their jobs.
- improved wages.

In addition, some evaluations focussed on the benefits from an employer perspective, for example measuring the recruitment and retention of staff. This was particularly so when

¹³ Hendra, R., Greenberg, D., Hamilton, G., Oppenheim, A., Pennington, A., Schaberg, K. and Tessler, B. (2016). *Encouraging Evidence on a Sector-Focused Advancement Strategy Two-Year Impacts from the WorkAdvance Demonstration*, MDRC

initiatives operated with employers as their primary 'customer' or as a 'dual customer' alongside participants. Other outcomes relate to system change, for example connecting training to specific occupational sectors within an area, and the creation of partnerships and networks which bring together relevant parties to address specific sectoral issues.

A UK paper which examines the issue of low pay and progression¹⁴ argues for a 'basket of indicators' to be used when measuring progression. The paper recommends that both core (wage increases, progression into more secure employment and increases in socio-economic status) and non-core measures (greater job responsibility or improved skills/qualifications) should be used. This is described as a 'Stick, Stay, Progress' model, which would encourage skills providers and employers to support both retention and progression outcomes for participants. Building on from this, future UK initiatives should seek to develop and follow an appropriate set of outcomes which monitor progress, the nature of which will depend on the exact nature of the initiative in question.

Scale of impact

The evidence in this section of the report is drawn solely from the RCT studies reviewed which provide the most robust estimates of the scale of impact achieved through sector-based progression initiatives¹⁵.

The **Sectoral Employment Initiative**¹⁶ evaluated three programmes and found across these programmes that, over a 24-month study period, participants:

- earned 18% more than control group members (about \$4,500). Most earning gains occurred in the second year when participants earned 29% more than controls;
- were significantly more likely to work than control group members (working 1.3 more months);

¹⁴ Wilson, T., Gardiner, L. and Krasnowski, K. (2013) *Work in progress: low pay and progression in London and the UK*. London: CESI

¹⁵ This is because RCT studies compare the outcomes achieved by a treatment group receiving skills training with the outcomes of a randomly assigned control group, over the same time frame

¹⁶ Maguire, S., Freely, J., Clymer, C., Conway, M. & Schwartz, D. (2010). *Tuning In to Local Labor Markets: Findings From the Sectoral Employment Impact Study*. Public/Private Ventures.

- worked more consistently in the second year (52% of participants worked in all 12 months of the second year, as opposed to 41% of control group members);
- worked for longer in jobs which offered additional benefits for example, health insurance, paid holidays, paid sick leave and tuition fee reimbursement. Participants worked 1.4 more months than control group members in this type of job.

The **WorkAdvance** programme¹⁷ evaluated four separate projects and measured:

- increased participation in vocational training in the targeted sector by around 40 percentage points or more at every site, relative to controls;
- increased employment in target sectors by between 12 and 41 percentage points depending on the individual programme (the highest rates were achieved by Per Scholas in the IT industry);
- increased earnings for three out of four programmes. The evaluation states that the level of increase scaled with the providers' experience of running sector-based programmes. Per Scholas (a well-established IT training programme) increased earnings by 26% (\$3,700) higher the control group in Year 2; whereas less experienced providers had earnings impacts of around \$2,000 higher than the control group.

The evaluation of the healthcare sector focussed **Project QUEST**¹⁸ provided a longer-term measure of impact, including a five year follow-up of participants. The evaluation showed that, compared to a control group, participants:

- were more likely to obtain qualifications, including health care certifications (75% of participants had obtained a credential, 73% a vocational certificate and 68% a health-care certification, compared to 57%, 49% and 42% of members of the control group, respectively, after six years);

¹⁷ Hendra, R., Greenberg, D., Hamilton, G., Oppenheim, A., Pennington, A., Schaberg, K. and Tessler, B. (2016). *Encouraging Evidence on a Sector-Focused Advancement Strategy Two-Year Impacts from the WorkAdvance Demonstration*, MDRC

¹⁸ Roder A and Elliott E (2018) Escalating Gains: The Elements of Project QUEST's Success, Economic Mobility Corporation

- experienced a large, sustained increase in earnings which grew over time. Participants earned \$2,286 more in year three, rising to \$5,080 in year six;
- were more consistently employed and earned higher hourly wages (72% of participants had been employed for the whole 12 months of the sixth year after random assignment, compared to 57% of controls, and 46% of participants, compared to 35% of controls earned \$15 an hour or more after six years).

The evidence shows that significant gains have been achieved through the provision of sectoral initiatives, across all of the main outcome indicators. Gauging the scale of wage change that might be achieved in the UK from sectoral programmes, however, is more difficult, as the available evidence is mainly from the US labour market and from diverse sectors. Further, the measures used to assess the scale of gains in participation, qualifications and employment quality vary greatly, making consolidation difficult. This further illustrates the need for UK-based initiatives to utilise a consistent set of indicators, so that outcomes and financial returns can be directly compared (e.g. to assess relative value for money).

DRIVERS OF A SECTORAL RESPONSE

There are a wide range of actors involved in the development, funding or delivery of sectoral progression initiatives. This section examines what types of organisations are involved and the level at which they operate, for example national or local level.

Local versus national drivers

Most of the initiatives included in the review were local, focusing on specific geographical and urban areas. The impetus for such approaches commonly came from either local actors or national funding programmes designed to support local approaches by working with local organisations to develop locally tailored interventions. This reflects the nature of the US political system where responsibility for economic development is devolved to state level, and where cities also have a range of powers, and take responsibility for the implementation of state-wide legislation. In contrast, despite recent devolution in some regions, evidence suggests it is more likely in the UK for this type of initiative to be part of a national programme and to be funded centrally.

Examples of locally funded US initiatives include:

- **Manufacturing Works and Skills Works**¹⁹. These were sectoral centres which worked directly with employers. They were funded by the Mayor's Office of Chicago and diverted core funding from other services to trial a new approach.
- **The Extended Care Career Ladder Initiative (ECCLI)**²⁰. This competitive funding programme operated in Massachusetts and was a state-initiated effort to address frontline workforce quality improvement in the long-term care sector as a response to state-wide legislature.
- **WorkAdvance**²¹, which is an evidence-based programme designed to help low income adults prepare for and enter high quality jobs in several different sectors. It was initiated by the New York City Centre for Economic Opportunity, a unit of the Mayor's Office.

An example at a national level is that of the **Health Progression Opportunities Grant**²² (HPOG), which is administered by the US Administration for Children and Families, with funding allocated to local providers. Through HPOG, an initiative called Pathways for Advancing Careers and Education (PACE) supported 9 separate local projects. These were run by a range of different organisations, including training providers, not for profit community organisations, workforce agencies and community colleges. This initiative is typical of US federal programmes, both in targeting low income families and in aiming to produce methodologically rigorous evidence about the career pathways approach. Another example of national funding is by the Department of Labor, which funded a comparative case study of Energy Training Partnerships (which had limited success²³) in two different regions to support the development of the 'green economy'.

¹⁹ Schrock G (2013) Reworking Workforce Development: Chicago's Sectoral Workforce Centers: *Economic Development Quarterly* 27(3) 163-178

²⁰ Washko, M., Gottlieb, A., Wilson, K., Henineman, J., Stone, R. & Caro, F. (2007). Extended Care Career Ladder Initiative (ECCLI) Qualitative Evaluation Project: Final Report. Boston: Commonwealth Corporation

²¹ Hendra, R et al (2016). *Ibid.*

²² <http://www.career-pathways.org/acf-sponsored-studies/hpog/>

²³ Scully-Russ, E. (2013). The dual promise of green jobs: A qualitative study of federally funded energy training programmes in the USA. *European Journal of Training and Development*. 37(3), 257-272

There are also a range of city-based approaches to sectoral progression currently being trialled across the UK. The City and Devolution deals²⁴ gave local areas specific powers and freedoms to help support economic growth, create jobs or invest in local projects. Some of the cities involved have focused specifically on in-work progression (e.g. Glasgow and Plymouth). The West of England is also running an **Employment Support Innovation Pilot**²⁵, as part of a more recent round of Devolution Deals, which will support individuals who are in employment, claiming in-work benefits and are (or will become) social housing tenants. The aim is to help them to raise their skills levels and gain more secure and higher quality employment. Emerging evidence from these initiatives will be a useful addition to the knowledge base of what works in a UK context. The fact that evidence from the UK is sparser reflects the fact that initiatives to support progression has only become a recent policy focus within the UK, as opposed to programmes to support job entry.

Types of partners involved

As stated, in the US, state and city levels of government and/or federal government have funded a range of initiatives aimed at upskilling low paid workers. These initiatives have been led by a range of different actors, including:

- Workers or trade unions - for example, the **Restaurant Opportunities Centre**²⁶ (ROC), which was first organised by immigrant workers and started with a worker-owned restaurant, and remains a worker-led initiative
- Local education providers - for example **Pima Pathways to Healthcare**²⁷ (funded by PACE), which was led by Pima Community College

²⁴ <https://www.gov.uk/government/collections/city-deals>

²⁵ <https://www.westofengland-ca.gov.uk/wp-content/uploads/2017/12/Item-7-Employment-Support-Innovation-Pilot-An-Introduction.pdf>

²⁶ <http://rocunited.org/>

²⁷ Gardiner, K., Rolston, H., D., Fein, D. and S. Cho (2017). *Pima Community College Pathways to Healthcare Program: Implementation and Early Impact Report*, OPRE Report No. 2017-10, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

- Community and not for profit organisations - for example **Per Scholas**²⁸, which is a national community organisation with a mission to open doors to transformative technology careers for individuals from often overlooked communities, which received funding via **WorkAdvance**²⁹ to operate in New York
- Existing partnerships of different actors - for example **SkillsWorks**³⁰, which is a Boston-based organisation which brings together philanthropy, government, community organisations and employers to help low skill, low income individuals find employment, in tandem with helping employers find and retain skilled workers. This has funded, and robustly evaluated, the work of a range of community organisations in the Boston area (e.g. in the automotive industries and health sectors).

Successful initiatives often involve partnership between different organisations. For example, the **Wisconsin Regional Training Partnership/BIG STEP** is a not-for-profit workforce intermediary dedicated to connecting people to family-sustaining jobs. This achieved significant gains for workers (on income and job quality measures), as assessed by an RCT, in the construction, manufacturing and healthcare sectors. It achieved this by bringing together employers, unions and local community organisations with particularly close ties to industry³¹ to deliver training programmes that had been specifically developed with employers. This example evidences how funders rely on local knowledge and networks in order to deliver successful interventions, even when the driver for sectoral initiatives rests at a regional or national level.

COMPONENTS OF SECTORAL INITIATIVES

As discussed, most initiatives were designed to meet the needs of either the local population and/or local employers, albeit as part of national or regional strategies. The approaches taken to skills progression across these initiatives vary significantly. However, there are some common elements which sectoral progression programmes typically include. This section discusses each of these and what is known from the

²⁸ <https://perscholas.org/>

²⁹ <https://www.mdrc.org/project/workadvance#overview>

³⁰ <http://www.skill-works.org/>

³¹ Maguire, S. et al (2010) *Ibid.*

evidence about conducting these successfully, as well as identifying what can be learnt from less successful initiatives.

What makes a successful sectoral programme?

A review of US evidence³² identifies the following features of sector-based training programmes:

- the provision of training linked to specific jobs in a particular field, including fast-track 'remediation programmes' that allow individuals at lower skill levels (including those with limited English skills) to enter training programmes
- modularisation of courses to allow entry and exit at different points
- flexible schedules that are amenable to working families
- contextualised instruction, where learning is facilitated by simulating actual work conditions
- high levels of employer involvement in the design of training programmes
- cross-industry working to develop skill standards for particular jobs
- focused on linking low income individuals with high quality jobs by changing hiring, training, promotion and compensation arrangements
- improved access to training for low income individuals through links with community organisations and benefits programmes
- the provision of support service and careers counselling to individuals.

To aid the development of sectoral programmes, the US Department of Labor developed a Career Pathways Toolkit³³ with a visual representation of the main elements of sectoral strategies and career ladder approaches (see Figure 1). This also provides a resource guide (with key references) developed to support staff working at the state level on Workforce Innovation and Opportunity Act (WIOA) Unified Plans³⁴. The provision of

³² Martinson, K. (2007) *Building skills and promoting job advancement: the promise of employer-focused strategies*, The Urban Institute

³³ Department of Labor (2015) *Career Pathways Toolkit: A Guide for Development*, Department of Labor

³⁴ Such plans outline a four-year strategy for each State's workforce development system.

the toolkit clearly demonstrates the US commitment to sectoral based and career ladder approaches.

The toolkit identifies 'six elements for success' in developing sectoral career pathways:

1. build cross-agency partnerships and clarify roles;
2. identify industry sectors and engage employers;
3. design education and training programmes;
4. identify funding needs and sources;
5. align policies and programmes;
6. measure system change and performance.

A recent UK review of international evidence³⁵ suggests that positive elements of a sectoral approach include:

- forging of closer links between government and employers;
- establishing an improved dialogue about sectors' dynamics (including opportunities and challenges for policy intervention, skills requirements and job creation potential);
- creating a better understanding of prevailing employment practices and possible drivers of employer engagement;
- establishing priorities and developing associated actions;
- providing impetus for businesses which may not have been interested without the sector focus to engage in policy initiatives; and
- achieving more focused policy.

The European Commission has produced a conceptual framework for the analysis of adult learning policies and their effectiveness³⁶ (see Figure 2). This is relevant to sectoral training initiatives and provides a way of viewing both the main components required to provide adult learning opportunities and the potential benefits of adult learning to a range of actors. This also highlights the important role that employers play in investing in

³⁵ Green A, Sisson P and Lee N (2017) *Harnessing Growth Sectors for Poverty Reduction: The Role of Policy*, Public Policy Institute for Wales

³⁶ European Commission (2015) *An in-depth analysis of adult learning policies and their effectiveness in Europe*, European Commission

learning and in ensuring that learning is relevant, as well as the potential for adult learning to tackle inequalities and develop a skilled workforce. The framework suggests that there should be positive outcomes for individuals, employers and the community.

Figure 1: Department of Labor typology of sectoral initiatives

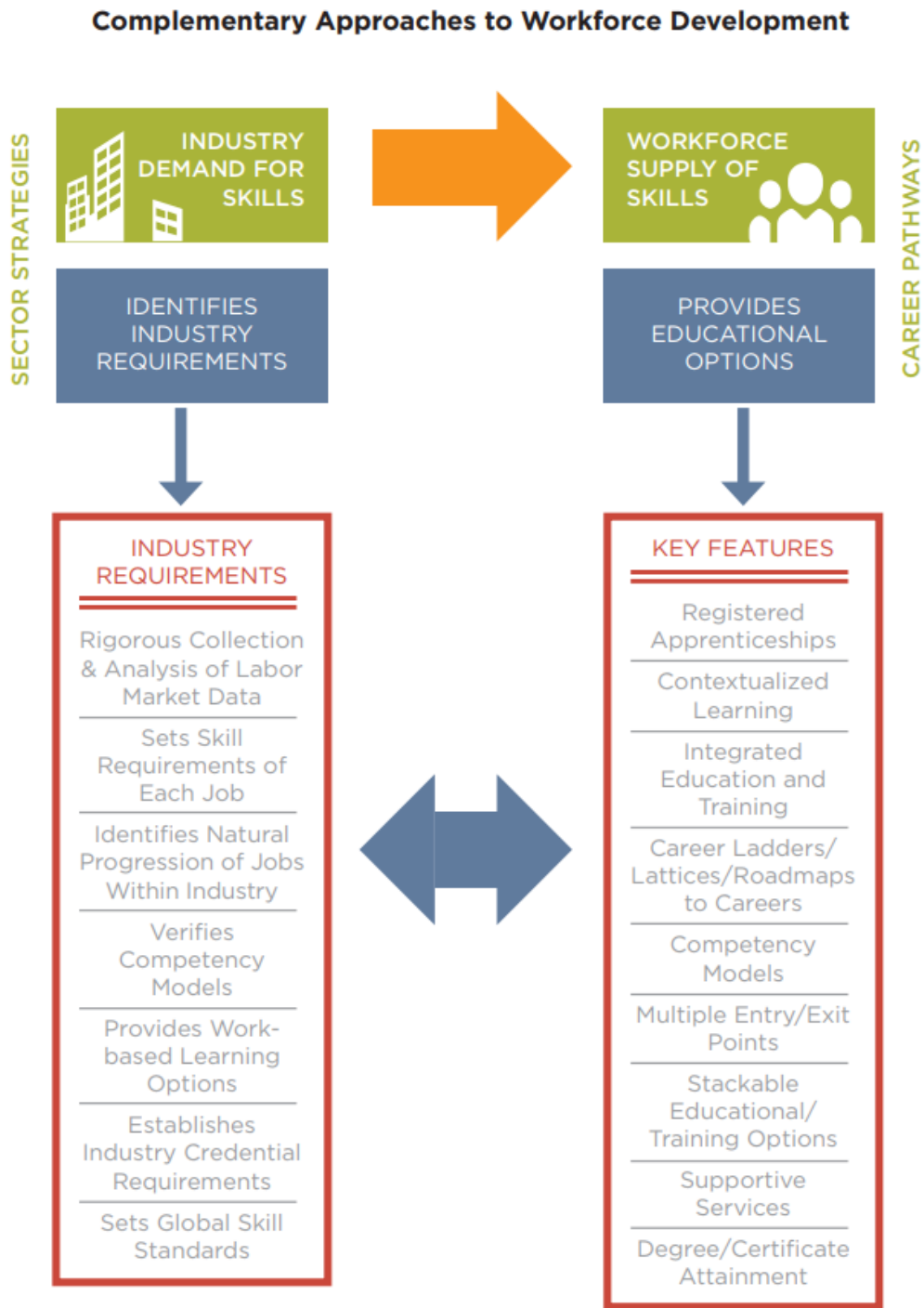
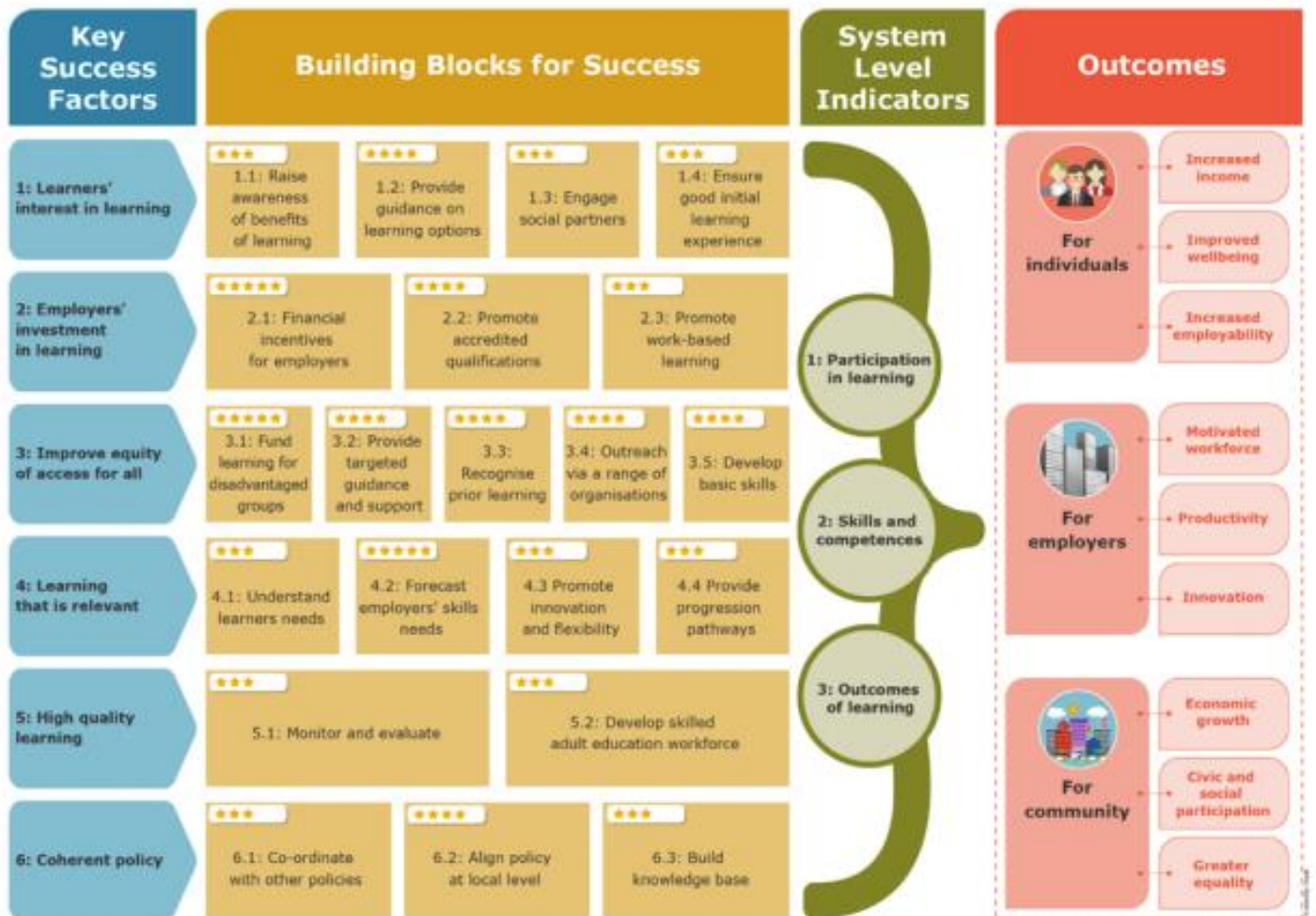


Figure 2: EU typology of adult learning



Building partnerships and engaging employers

All the evaluations and reviews of sectoral initiatives highlight the importance of employer involvement to identify specific business needs and how best to address them within a local context. Other actors, such as trade unions or workforce representatives can help to make sure that worker needs and aspirations remain in focus, and also encourage participation amongst incumbent workers. Community organisations also play an important role in that they are often best placed to encourage engagement and participation and offer support to specific participant groups. Further, community organisations can also play a key role in signposting individuals onto other specialist agencies they work with to meet individual needs. The involvement of local training and education providers supports the provision of occupational training leading to the achievement of recognised qualifications, alongside other forms of educational support, for example pre-training basic skills support.

The evidence suggests that creating or sustaining partnerships that include a range of different organisations, tends to form a key component of most sectoral initiatives. However, this is not without challenges, particularly in relation to engaging employers. The overarching evaluation of **WorkAdvance**³⁷, for example, showed that differences in the achievements of providers was often related to provider links to employers and the way they worked with them.

A US review paper³⁸ of learning points from career pathway and cluster skill development models provides lessons about engaging and enabling employers. These include:

- the need to bridge the gap between employers and other agencies - for example, being responsive to the business community, whilst managing slow response times from government and education providers;
- using existing regional groups of employers (much like those convened in the UK by Local Enterprise Partnerships) to advise education and government agencies on industry needs, including skills-needs and training;

³⁷ Hendra, R. et (2016). *Ibid.*

³⁸ Hamilton, V. (2012) *Career pathway and cluster skill development: promising models from the United States*. OECD Local Economic and Employment Development (LEED) Working Papers. Paris:OECD Publishing

- balancing the needs of employers with a deep understanding of the sector - this allows shared industry skills and competencies to be established and curriculum appropriately designed to fulfil these;
- bringing businesses on board to design the content and delivery mechanisms for training, and to revise programmes to keep up with industry trends.

An example of public sector-employer partnership from France³⁹ involves both national and regional government alongside employers by establishing clear structures and mechanisms for co-operation. The current **Industrie du Futur (IdF)** initiative was launched in 2015 by the French government to support companies to deploy digital technologies to modernise production practices and business models. The project was initially steered by government and based on a thorough analysis of global growth markets and digital and industry developments. The next stage was to set up a public-private platform, IdFA, which functions as a resource centre where actions can be co-ordinated, and different actors meet. IdFA has developed a roadmap for each of the nine industrial priority markets, whereby project leaders (typically industry/business representatives) take the objectives forward. There is also a wider steering committee which aims to involve all stakeholders, including social partners, and which operates under the presidency of the Secretary of State for Industry. Regional authorities ensure regional steering and roll-out and support local SMEs. IdF has developed skill-sets and training as a core component of each roadmap, reflecting the need to respond to the challenges of digital transformation and advanced manufacturing practices. There is, however, no evaluation evidence from this initiative yet.

At a local level, providers have approached employer engagement in a number of different ways. One approach is to target 'high road' or 'quality' employers which are most likely to pay well and offer opportunities for advancement. One example is that of the **Illinois JTED program**⁴⁰. This provided grants to community-based organisations to support training programmes developed in partnership with local employers. It targeted low-income job seekers and incumbent workers across several sectors and promoted community-business partnerships to identify and satisfy workforce needs. Employers, key local industries and occupations which contributed to community economic vitality

³⁹ European Commission (2017) *Digital Transformation Monitor, France: Industrie du Futur*, European Commission

⁴⁰ Schrock, G. & Jenkins, D. (2006). *An evaluation of Illinois' JTED program*. Chicago: Chicago Jobs Council

were specifically targeted. JTED created both 'strong' and 'loose' ties with employers. The strong ties were developed over time with core businesses which hired multiple JTED graduates, had a contract for onsite training and/or participated in industry advisory panels. Loose ties were developed for the purposes of job placements. To develop and manage these relationships, instructors with private sector experience were specifically hired to the programme. JTED trained workers achieved an increase in wages compared with a matched comparator group.

Other projects engaged employers by making them the primary 'customer' - explicitly working to achieve employer outcomes alongside individual outcomes. An example of this approach is provided by Chicago's **Sectoral Workforce Centres**⁴¹. Two centres were established with employers as their primary customer, providing a range of services such as recruitment assistance, training resources and labour market information (LMI). The Manufacturing Works Centre (MW) was more successful at securing employer connections than the other centre, Service Works (SW). MW succeeded in engaging employers through presenting itself as being driven by the mission to revitalise the manufacturing industry of Chicago. The literature states this resonated particularly with small, independent companies who appreciated the city government committing resources to support the industry.

MW also used account executives who attempted to 'nudge' businesses towards more progressive employment practices. For example, they used 'one up, one in' arrangements that helped the company to identify and upgrade training for an incumbent worker from a semi-skilled position and then backfilled the subsequent opening for the company. This established MW in a unique position by linking recruitment and upskilling needs into one package and supporting employers with both. In contrast, SW mostly focused on bringing in low-skilled workers to fill entry level positions and was therefore only one of a range of organisations that employers could use to do this. There were also structural issues affecting the success of SW; for example, the long-term erosion of skill formation systems in the manufacturing sector gave MW an opening to engage employers in ways that SW could not.

Other initiatives have worked with the line managers of participants to ensure the best organisational and individual outcomes. A Boston based initiative, the **Extended Care Career Ladder** initiative⁴² offered training initiatives within residential and domiciliary

⁴¹ Schrock G (2013) *Ibid.*

⁴² Washko, M et al (2007) *Ibid.*

care services whilst also establishing a mentoring scheme in nursing homes. The programme focused on the utilisation of skills gained in the workplace; for example, the programme taught supervisors basic supervision and capacity building to support them in incorporating new workforce skills into work practices. This supported the development of a range of skills outcomes for incumbent care workers and supervisory training was identified as essential to the initiative's success.

Another initiative that successfully engaged employers at both the organisational and managerial level is **Enhancing Skills Utilisation by Private and Public Care Providers**⁴³. The Open University in Scotland delivered the programme as part of Scotland's Skills Utilisation Programme⁴⁴. The initiative aimed to develop a management qualification for supervisors in social care and to link this to improved skills utilisation in the workplace. As part of this, line managers were involved in discussions on how to put student learning from the course into practice in their everyday working lives. Whilst the project started with a traditional focus on course delivery, it developed over time and influenced thinking within parts of the Open University about the delivery of workplace targeted courses. In one local council area, line managers were encouraged to think about how they might give students increased responsibilities by delegating parts of their own role to them. This required tutors to have a specific professional background in order to manage employer relationships.

The evidence suggests that successfully building partnerships and working with employers requires some combination of:

1. bringing employers and/or other partners on board at the design stage and/or to help implement programmes
2. acknowledging the importance of managing employer relationships and using professional staff with business experience to do this
3. having clear messaging about mission and scope, specifically tailored to resonate with businesses in the targeted sector

⁴³ Payne J (2011) *Scotland's Skills Utilisation Programme: and Interim Evaluation*, SKOPE Research Paper No. 101, ESRC Centre on Skills, Knowledge and Organisational Performance

⁴⁴ In July 2009, the Scottish Funding Council (SFC) committed around £2.9 million in funding to 12 'action research' projects aimed at exploring the role that universities and colleges might potentially play in improving skills utilisation in the workplace.

4. targeting high quality employers for example choosing to work with 'high road' employers who either offer better employment conditions/opportunities or are prepared to change to do so. The type of relationship that can be developed with employers, and the level of their involvement, is likely to be affected by the stage they are at in the development of their HRM practices.

Occupational training

Central to upskilling low wage workers is the provision of occupational training which may or may not lead to a qualification. Sectoral initiatives are uniquely placed to shape the training available to the specific needs of a sector or sub-sector. The literature provides a variety of examples of initiatives that have tailored regular training offers to make them more sector-relevant.

Providers need to make a range of choices about training delivery. The first of which is whether to provide courses in the workplace or within traditional learning environments such as colleges. One Boston based initiative offered both. The **NorthEastern University Medical Careers Partnership** (EMCP) aimed to create new educational pipelines connecting lower skilled workers (including incumbent workers) to entry level emergency medical technician posts. The initiative was led by a university which worked with employers and adult education providers. The greatest success was achieved when the training was delivered on-site at workplaces in partnership with a single employer. For example, EMCP's most successful classes were the on-site paramedic classes offered through a partnership with Boston Emergency Medical Services. The on-site model allowed the offer to be tailored to the training needs and schedules of the employer and the employees, which led to a high rate of success in the course and greater employer satisfaction.

In contrast, where EMCP students were attending courses independently, the initiative encountered a range of problems, not least the lack of flexibility that the university was able to offer in terms of scheduling and locating training and linking with basic skills providers. Where students were required to flex their work schedule to fit with the course, students could fall behind and then drop out. Establishing multi-level institutional commitment and staff continuity were also problematic within the large lead institution. This meant that the changes to university culture and processes that were necessary to achieve the flexibility of provision necessary for success were not possible. The project was not aligned with the university's mission and therefore struggled to maintain momentum.

The US **Jobs to Careers** programme also delivered training in the workplace. This initiative developed partnerships of employers, educational institutions and other organisations, in 17 demonstration sites which aimed to improve the quality of care provided to patients by frontline workers, in part by testing new models of work-based learning. The programme embedded the curriculum, the delivery of learning and the assessment into the work process. For example, lessons were modified to make them more relevant to employer needs and applicable to the tasks and responsibilities of the job; classes were offered on site and included job shadowing; participants were encouraged to connect their experiences from work with discussions in the classroom; assignments were directly related to participants' jobs; and assessments were conducted by higher skilled staff in the workplace alongside educators.⁴⁵ The evaluation found that programme completers achieved greater wage increases than those who did not complete the programme.

An additional question for sectoral programmes is what type of training to offer. Training leading to entry-level positions is typically completed quickly which makes it attractive to individuals and employers. However, higher level posts in some industries may require longer-term training courses that ultimately lead to higher skilled and higher paid positions. The national US, multi-programme **HPOG grant**, which served TANF recipients and other low-income individuals⁴⁶ found that whilst those in longer-term training had better individual outcomes, including higher wages, it was possible to support greater numbers of participants through short-term training for the same financial outlay. Shorter term training was also sometimes a choice of necessity for individuals. The report suggests that support⁴⁷ should be available for those in longer-

⁴⁵ Morgan, J., Farrar, B., Jason, K. & Konrad, T. (2012). *Evaluation of the Jobs to Careers: Promoting Work-Based Learning for Quality Care Program*

⁴⁶ Werner, A., Koralek, R., Roy, R., Schwartz, D., Collins, A., Loprest, P. and Stolte, A. (2016). *Descriptive Implementation and Outcome Study Report: National Implementation Evaluation of the Health Profession Opportunity Grants (HPOG) to Serve TANF Recipients and Other Low-Income Individuals*. OPRE Report No. 2016-30. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services

⁴⁷ The report does not specify whether this is financial, but the HPOG grant offered a substantial and varied package of financial and other support to participants

term training while encouraging and creating incentives for those who complete shorter-term training to return to longer-term learning and continue on a career pathway.

The **Jobs with a Future** (JWF) project in Wisconsin⁴⁸ also addressed issues relating to the duration and scheduling of training provision. The project provided partnership-based training for incumbent and dislocated workers in health care and manufacturing - both industries with a growing need for skilled workers. The success of their approach relied on having strong relationships between JWF and training institutions. The programme established a range of mechanisms and forums for partnership working, which resulted in more targeted, occupational specific training, with greater access for small firms, due to group purchasing of training (e.g. customised workplace basic education) designed to meet the needs of all partners. JWF partners also developed modular training that could be delivered in a much shorter time frame than typical provision which better suited the needs of employers.

Another project, this time college-led, the Pima Community College **Pathways to Healthcare Programme**⁴⁹ also modified course duration and scheduling to meet participants' needs. The college mapped 16 of its existing occupational training programmes into defined career pathways to help focus students on longer-term career training goals. It also used compressed and contextualised basic skills 'bridge programmes' to help students with low levels of basic skills enrol directly into occupational training programmes. The college was also responsive to the emerging needs of students, implementing instructor-led study groups to help bolster students' basic skills and learn occupational content. A Nursing Assistant Readiness Class was also implemented after staff determined that many Nursing Assistant students did not have the college success skills, such as time management, needed for the course. Additional employment support also helped programme completers locate employment, through coaching for job interviews and help with CV writing. The evaluation found that programme participants attended more hours of college-based occupational training than a randomly assigned control group.

These examples show that it is important that learning providers involved in programme delivery are committed to meeting the needs of adult low-wage learners. If providers

⁴⁸ Center on Wisconsin Strategy (2005) *Skilled workers, strong economy: preparing for jobs with a future in South Central Wisconsin*. Madison, WI: Center on Wisconsin Strategy. Evaluation of this initiative focussed on outputs rather than impact.

⁴⁹ Gardiner, K et al (2017). *Ibid*.

have an existing delivery model which provides a foundation for, and/or strong organisational commitment to, flexible, supportive and holistic training packages for students, the initiative is likely to be more impactful. The programmes reviewed here demonstrate that successful occupational training is:

- flexible and based around the schedules and needs of participants, rather than education providers;
- linked to real jobs and careers;
- reflective of employer needs; and
- developed to support learners who may not be entirely ready to complete an occupational (technical/vocational) programme.

Financial incentives and support

Another common element of sectoral programmes is financial incentives. These can be offered in various forms but are designed to support low wage workers (or the unemployed) through training. Incentives have the dual purpose of driving up programme recruitment and increasing programme retention. Examples from the literature identify that financial incentives or support can be offered in a range of different ways.

Workforce 1 Careers Centres ran in New York City and offered financial incentives in the form of scholarships to jobseekers to cover the costs of specialised occupational training. The centres provided industry specific job services and training to unemployed and incumbent workers in sectors with competitive wages and advancement opportunities. Those in receipt of occupational training via the programme experienced higher wage gains compared to a matched comparator group⁵⁰.

The programme evaluation for **Better Jobs, Better Care**⁵¹ recommends that programme funding should cover the costs of 'lost' wages for individuals or the costs for employers of backfilling shifts via allocations made to organisational training budgets. The initiative ran in five different US states and focused on changing long-term-care policy and

⁵⁰ Gasper, J. and Henderson, K. (2014) *Sector-Focused Career Centers Evaluation: Effects on Employment and Earnings After One Year*. New York: New York City Center for Economic Opportunity

⁵¹ Robert Wood Johnson Foundation (2011) *ibid*.

practice to reduce vacancy and turnover rates among the direct-care workforce and to improve the quality of the workforce.

Another successful programme that utilised financial incentives was **Project QUEST**, which offered financial assistance to cover tuition fees for classes, books and transportation, any uniforms, licensing exams and tutoring to help residents of San Antonio access better jobs. This financial support was part of a broader support offer, which also included referrals to other agencies for financial assistance with utility bills, childcare, food and other services, as well as support with employability and soft skills, and job placements. To continue receiving support, participants were required to provide evidence of class attendance. Evidence from an RCT demonstrated that QUEST participants achieved substantially greater earnings than control group members in the third to sixth year after random assignment. QUEST had the greatest impact on the earnings of non-traditional college students and those who had struggled with completing education in the past. The evaluation therefore concludes that the project demonstrated that investing in low-income individuals' skills and qualifications can have a meaningful and lasting impact on their lives. It highlighted the key to such programmes' success as the "*considerable, reliable financial support that was used flexibly to meet students' needs*".

However, there are also examples where fewer promising outcomes were observed from programmes using financial support, highlighting that it is not a panacea. Even though all three initiatives included some form of financial support in its offer, they all experienced limited success. Each targeted the healthcare sector and may have suffered from a lack of available and/or well-paid opportunities.

1. **WIN A STEP UP** aimed at improving the working situation of Nursing Assistants in North Carolina. This was a relatively high-cost programme, with a 33-hour curriculum, covering both clinical care and interpersonal skills, and with financial incentives that were distributed to participants as they proceeded. The evaluation showed limited evidence of its impact on wage progression, job satisfaction or quality of care outcomes⁵².
2. The **Bridge to Employment** in San Diego County was an initiative which aimed to support entry to mid-level skilled jobs in healthcare. One element of

⁵² Morgan, J. and Konrad, T. (2008) 'A mixed-method evaluation of a Workforce development intervention for nursing assistants in nursing homes: the case of WIN A STEP UP', *The Gerontologist*, Vol. 48, No.1, pp. 71–9

the programme was the provision of individual training account (ITA) vouchers to cover the cost of training. However, Community Colleges generally did not accept ITAs, so participants would have to cover the up-front costs of college-based training and claim it back. In contrast, for-profit private providers both accepted the ITAs and supported speedier enrolment and completion for students. As a result, more than 80% of students chose private providers, suggesting a restricted choice in provision faced by Bridge to Employment participants. The evaluation showed increase entry to healthcare occupations, but without any observable pay increases.

3. Seattle-King County **Health Careers for All** Programme offered occupational training in healthcare fields funded through “cohorts” (course packages open exclusively to participants and fully funded by the programme) or through ITAs, as well as financial assistance during and immediately following training to help address barriers to programme completion or employment. The funding also helped pay for one-off unexpected costs such as rent assistance and utilities bills. Despite this comprehensive approach to financial support, there was limited employment or attainment impacts from the programme.

Offering financial incentives and/or support increases the costs of delivering a programme. It is therefore important to control the factors likely to affect the return on this investment. Evidence from the **WorkAdvance** evaluation⁵³ show that the biggest wins are likely to come from sectors where employer demand is strong for entry-level or middle-skill employees and the training required is short term. A recent review of evidence on employment, pay and poverty⁵⁴ suggests that ‘*financial incentives can increase uptake of training and education courses but these need to be closely linked to realistic progression pathways to have an impact on earnings*’. Some financial incentives also support greater freedom of choice than others, so care should be taken over the form of incentive offered as well as the amount.

⁵³ Kazis R and Molina F (2016) *Implementing the WorkAdvance Model: Lessons for Practitioners*, MDRC

⁵⁴ Ray K, Sissons P, Jones K and Vegeris S (2014) *Employment Pay and Poverty: Evidence and policy review*, Joseph Rowntree Foundation (page 96)

Other forms of support

Many programmes provide a holistic package of support. The nature of this support varies considerably but includes support for participants in the form of 'soft' and 'hard' skills training necessary to qualify for or complete an occupational qualification; employability or life skills training; specialist advice to identify career goals or directions; in-programme job search and/or placement support; and post-programme support to help with job retention or job search/placement.

Two particularly successful projects, which both achieved significant wage gains for participants (as assessed by RCTs) offered a substantial package of support to participants:

Project QUEST⁵⁵ (discussed in more detail earlier in the report) provided:

- instruction in maths and reading to help individuals pass college entry tests
- counselling to address personal and academic concerns and provide motivation and emotional support
- referrals to outside agencies for assistance with financial support needs
- weekly meetings that focused on life skills (e.g. time management, study skills, critical thinking, and conflict resolution)
- job placement assistance, including help with writing résumés and interviewing, as well as referrals to recruiting employers.

One provider operating under the **WorkAdvance programme, Per Scholas**⁵⁶, offered a full package of support to students, investing heavily in the support available to them. A social venture, Per Scholas refurbishes end of life computers and distributes them to community residents. The support available for students as part of its programme to train individuals to repair and maintain computers included career mentoring, counselling, job placement and employability workshops and internships in the Per Scholas recycling and refurbishing centre or with local employers. Being able to offer practical experience,

⁵⁵ Elliott M and Roder A (2017) *Escalating Gains: Project QUEST'S Sectoral Strategy Pays Off*, Economic Mobility Corporation

⁵⁶ Most recently as part of the WorkAdvance Project.

alongside training, in a sector which requires experience for entry and advancement was an important part of the project's success⁵⁷.

Whilst both these initiatives offered substantial support to students, their success was also built on other elements. For Project QUEST, this was the combination of financial and other support measures, whilst for Per Scholas this was the organisation's existing employer links to, and detailed knowledge of, the sector it targeted. One finding of a recent evidence review was that *'financial incentives can be effective for improving earnings but advisory support alone seems insufficient to achieve this'*.⁵⁸ Thus, while holistic in-programme support is important, it must be developed in tandem with activities which help overcome financial barriers to training.

Recruitment and pre-programme assessment

Some providers found recruiting participants challenging with a number of programmes having to focus much of their efforts on recruitment and selection activities.

One such project was that of the **Carreras en Salud** Program in Chicago. This targeted the Latino population, aiming to help participants to improve their basic skills and enrol in training which would put them on a structured healthcare pathway. Using an experimental design, the programme evaluation⁵⁹ demonstrated that the programme had a significant effect on average total hours of occupational training, basic skills and English as a Second Language (ESL) instruction received, as well as on receipt of employment services. It also had a positive impact on employment in healthcare occupations and a decrease in reports of financial hardship. However, recruitment to the programme was challenging, despite strong outreach efforts, and there was a major drop off between interest at the initial orientation and the next step of the process. This was attributed to concerns about the time commitment involved in training; juggling home, work and course demands, and eligibility criteria (to be a US citizen). To overcome this, Carreras employed a dedicated recruiter. The success of the programme

⁵⁷ Maguire, S. et al (2010) *Ibid*.

⁵⁸ Ray K et al (2014) *ibid* (page 96)

⁵⁹ Martinson, K., Copson, E., Gardiner, K. and Kitrosser, D. (2018). *Instituto del Progreso Latino, Carreras en Salud Program: Implementation and Early Impact Report*, OPRE Report # 2018-06, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

was attributed to the knowledge of the community that the lead organisation possessed, and the flexibility it demonstrated in terms of programme development.

The multi-project **Sectoral Employment Initiative**⁶⁰ also identified the recruitment of sufficient participants as one of its major challenges. In this case, it was due to the enrolment requirements of employers, colleges and relevant programmes. The advanced-skills training programmes required participants to score at the 8th- to 10th-grade level on tests of basic reading and math skills (which excluded around 70 to 80% of potential applicants). Further, targeted employers preferred participants with a high-school diploma or GED, which was not always necessary to succeed in training, and which could also exclude potential students. The programme also encountered mixed results in obtaining referrals from public systems that could support participants while in training (e.g. Temporary Assistance for Needy Families). The **HPOG** program evaluation also targeted TANF recipients, who had generally low levels of income, employment and education, and multiple barriers to work (e.g. lack of access to child care). It found that whilst such groups could benefit greatly from programmes that combine support services with education and training, both the programme's academic skill requirements, and TANF restrictions on education and training presented obstacles to potential participants.

An example from the UK is that of **Step Up**, which trialed a range of approaches to supporting low paid workers to progress their careers. Whilst this programme did not have a specific sectoral focus, it does provide some insights into recruitment difficulties for in-work support initiatives in the UK. Despite achieving a range of positive outcomes, recruitment to the programme was difficult. The evaluation concludes that this was due to a lack of understanding amongst the range of potential referral providers for this type of support. Low paid workers were harder for referral partners to identify than the unemployed and targeting those on low wages could be seen as stigmatising. Participants tended to be recruited to Step Up via trusted intermediaries who signposted them onto the programmes. The evaluation highlights the need to develop recruitment channels from the outset via a range of services that encounter adults in low-paid work,

⁶⁰ Roder A, Clymer C and Wyckoff L (2008) *Targeting Industries, Training Workers and Improving Opportunities: The Final Report from the Sectoral Employment Initiative*, Public Private Venture

whilst also developing clear messaging about the aims and benefits of in-work support which directly addresses the needs of employers, participants and stakeholders⁶¹.

A paper outlining the lessons from practitioners on the **WorkAdvance** programme⁶² also provides recommendations on recruitment and selection processes. Lessons include:

- using new recruitment sources to ensure the '*applicant pipeline is robust and reaches potential participants who are 'a good fit' for training*'
- assigning dedicated recruiters to search for individuals with a good chance of being interested in and succeeding in a sectoral programme
- attending events where there are likely to be large numbers of potential participants in attendance (e.g. local community organisations and job fairs)
- honing recruitment messages to legitimise the programme and encourage motivated individuals to apply
- using screening criteria that balance objective and subjective assessments of readiness and which do not inadvertently eliminate qualified candidates.

Having too specific a focus, or too precise an entry requirement, is likely to create difficulties for recruitment. However, it is important to market the programme using specific messaging. In the UK, in-work progression will require explanation, and targeting low wage workers is likely to present specific challenges.

Post-placement support

Relatively few of the programmes reviewed included any post-programme follow up, and some of those that did had relatively weak outcomes (e.g. the Seattle-King County **Health Careers for All** Programme which provided financial support for students with transport and one-off costs to support their employment entry). It is therefore difficult to conclude whether post-programme follow up is a successful addition to sectoral initiatives.

In addition, the initiatives reviewed each have different durations, with some focusing primarily on support to enter work in high-paying sectors (or to switch to these sectors),

⁶¹ Murphy H, Bennett L, Klenk H, Ray K and Stevens C (2018) *Step Up: Trialling new approaches supporting lowpaid workers to progress their careers*, Learning and Work Institute

⁶² Kazis R and Molina F (2016) *Ibid.*

and others having an additional focus on post-employment support to promote retention or progression. Thus, post-programme support is shown to vary across different delivery models.

Examples of the types of post-programme support in US programmes that focused primarily on work entry include:

- The **Bridge to Employment** initiative, which responded to changing labour market conditions (lower level healthcare jobs becoming saturated) by encouraging participants to pursue concurrently a second (“bundled”) training or subsequent training to earn multiple certifications to help them find employment. Staff working as 'navigators' also provided work readiness training to participants (e.g. CV and cover letter writing, interview practice, job search skills, labour market research, soft skills and job search assistance). Job developers were hired to help generate job leads for participants and ran employer 'socials' every quarter, where employers were invited to discuss opportunities and meet programme completers.
- Pima Community College **Pathways to Healthcare** Programme, which worked to encourage employers to hire programme graduates by funding subsequent on-the-job training to help them acclimatise to the specific workplace and launched an Alumni Network to help students and graduates develop a professional network, build a sense of community, and to foster college success skills.

The UK **Employment Retention and Advancement** (ERA) project, which sought to improve the labour market prospects of low-paid workers and long-term unemployed people⁶³, showed a clear benefit of providing post-employment support. Participants had access to a set of 'post-employment' job coaching and financial incentives once they entered work, in addition to the job placement services that unemployed people could normally receive through Jobcentre Plus (JCP). The evaluation, based on an RCT, showed that ERA made the most difference to long term unemployed participants (with limited impact on lone parent groups), producing sustained increases in employment and earnings over a five-year follow-up period.

There is therefore some evidence that post-employment support can be an effective way to achieve outcomes in the UK for some groups. However, there is limited evidence

⁶³ Hendra, R., Riccio, J., Dorsett, R., Greenberg, D., Knight, G., Phillips, J., Robins, P., Vegeris, S. and Walter, J. (2011). *Breaking the low-pay, no-pay cycle: Final evidence from the UK Employment Retention and Advancement (ERA) demonstration*. London

available to suggest how long participants should receive in-work support for following a new job placement, or to inform the best way to provide such support.

BROADER LESSONS LEARNT

In addition to the specific programme elements described above, there are also some broader lessons identified in the literature about how to structure and target sectoral programmes. Two of these issues are discussed here: operating a 'dual customer' model and targeting the right sector(s).

Operating a dual customer model

A dual customer approach in sectoral initiatives works to fulfil both individual and employer objectives for progression, with the potential to improve employer practice. The experiences of individual projects highlight both the benefits and conflicts in taking such an approach. The literature highlights the inherent tension between employer engagement, which is largely shaped by employer need to recruit into entry level positions, and the political desire to improve longer-term progression outcomes for workers.⁶⁴

An example of a dual customer approach is **SkillsWorks** in Boston, a multi-project initiative, with most providers focused on the needs of both employers and individuals. An overarching evaluation of the programme⁶⁵ concluded that developing workforce partnerships was central to the programme and that deep engagement with employers was essential to support the advancement of job incumbents. Such engagement led to close relationships and made it possible to monitor participant progress, review project effectiveness and jointly strategise solutions (e.g. locating training close to employer premises). On-site, cohort style training with a single employer was highly effective but required employer commitment and capacity to then provide advancement opportunities for individuals who had taken up training.

⁶⁴ For example, Sissons, P. and Green, A. (2017). *More than a match? Assessing the HRM challenge of engaging employers to support retention and progression*. Human Resource Management Journal.

⁶⁵ Mt. Auburn Associates. (2014). *SkillWorks Phase II Evaluation: Overview of Outcomes*. The SkillWorks Funders Group.

The experiences of SkillsWorks projects were that there were significant benefits to implementing a dual customer approach, for example:

- The **Healthcare Training Institute** (HTI) in Boston concluded that for incumbent workforce development, employers were not just a vehicle through which clients could succeed, but the employer should be regarded as the client at least as much as the participant. Employers benefitted from the training HTI provided to their workers, from the opportunity to explore and test new workforce development approaches, and from the ability to participate in a new forum where they could connect and collaborate with one another. The evaluation concludes that the "*capacity expansion, experimentation, and learning that occurred through HTI...has generated system benefits that will last far beyond the tenure of the grant.*"⁶⁶.
- The **Hospitality Training Center** partnership (HTC) provided pre-employment and incumbent training for the hospitality sector. Its evaluation shows that around a quarter of participating job incumbents had advanced in the sector, either through a promotion at their existing employer or through a new job that represented an economic gain (although it did not isolate the impact of the programme on these changes). In addition, a number of employer benefits were identified, including a stream of qualified candidates available for entry-level positions and stronger relationships among industry partners. Qualitative evidence demonstrated that employers valued the skills gains made by their workforce, and that the project created an environment where supervisors and staff were able to interact more fully because of employees' improved language skills (a component of the soft skills training provided). The evaluation concludes that by working with unions, employers and individuals, the partnership was able to establish the HTC as a resource for the sector and shift the perception among employers that training was a benefit primarily for individuals, but was rather viewed as a way to improve skills within the industry⁶⁷.

⁶⁶ Mt. Auburn Associates. (2014). *Healthcare Training Institute: Final Report*. The SkillWorks Funders Group. (page 18)

⁶⁷ Mt. Auburn Associates. (2014). *Hospitality Training Center: Final Report*. The SkillWorks Funders Group.

A separate initiative, the **Health Careers Collaborative** (HCC) of Greater Cincinnati⁶⁸ achieved a return on investment of 11.9%. The costs were \$1.82 million (mostly tuition payments and the cost of backfilling positions when participants were promoted). The expected benefits were approximately \$2.04 million (due mostly to recruitment cost savings when programme graduates complete training and are promoted to in-demand occupations). This result was used to argue that the model clearly demonstrates the potential for public/private partnerships to produce benefits for employers. The evaluation cited significant employer leadership as a critical success factor for the programme.

In all these US examples, there were clearly identifiable benefits to employers, such as fulfilling recruitment/job entry needs, which also tied in with the objectives for individuals of job placement. However, there were also broader employer gains where strong industry links were established such as valuable and/or lasting changes to HRM practices. In the UK, the primary focus of employer engagement has traditionally been on the point of employment entry. Moving towards a progression agenda will therefore require a different approach with employers. Factors such as skills gaps and replacement demand needs could be useful drivers of this type of progression-focused employer engagement.⁶⁹

Targeting the right sectors

There is no firm evidence available on the ‘best’ sectors to target with progression initiatives, although there is evidence that *‘the sector targeted, and within that the particular sub-sectors, is likely to have an impact on the chances of programme success’*.⁷⁰ One paper recommends that programmes target sectors where leverage is high and a significant share of jobs pay well in order to encourage progression⁷¹. However, where the emphasis of the programme is primarily on access to ‘good jobs’, these tend to have higher barriers to programme entry.

⁶⁸ Elvery J and Spence C (2011) Health Careers Collaborative of Greater Cincinnati Return on Investment Report: 2011, Greater Cincinnati Workforce Network

⁶⁹ Sissons, P. and Green, A. (2017) *ibid*.

⁷⁰ Sissons et al (2016) *ibid* (page 31)

⁷¹ Center on Wisconsin Strategy (2005) *ibid*.

Some of the most robust and positive evidence comes from initiatives such as WorkAdvance which fund projects across multiple sectors. The results of the HPOG funded PACE initiative which included RCTs of a range of healthcare initiatives did not provide an overarching evaluation or make conclusions about working within the sector as whole. This may be partly because the initiatives included has such diverse target groups, approaches and results which would limit the usefulness of a combined assessment of their impact.

A recent review of international literature on sectoral initiatives summarises the state of evidence around progression in specific sectors⁷², as follows:

- Evidence of progression initiatives in financial and professional services is very limited and focused on employer engagement and work experience, technical and soft skills, and young people. Relatively long-term programmes, with significant education and work experience components, and close links with sector employers to provide input and placements, are required to target low paid workers
- Evidence on the manufacturing sector is relatively weak, with apprenticeships the most obvious policy focus
- Evidence on 'green jobs' is scant, with questions remaining about whether opportunities for progression can be driven by policy investment
- Evidence on the construction sector is limited. High rates of self-employment create specific issues, with little known about the dynamics of progression in the sector
- Evidence in social care is relatively weak, despite a wide range of initiatives (in the US) targeting this sector. The sector is characterised by low wages, strong job entry but often poor progression opportunities
- Evidence in the hospitality sector is also limited. The fragmented nature of the sector and pressure on wages present challenges to progression.

A range of initiatives highlight the challenges facing progression initiatives in specific sectors in more detail. For example:

⁷² Sissons et al (2016) *ibid*.

- The hospitality sector has many hotel chains that are nationally owned, whilst progression initiatives tend to be delivered locally. The **Hotel Training Centre** in the US found that while many partner employers agreed to higher starting wages for HTC graduates, achieving broader changes in employer workforce practices was constrained by the limited authority held by local managers to shape company policies⁷³
- The automotive industry has low starting wages and limited retention or upward mobility opportunities. The **Partnership for Automotive Career Education** in the US struggled to impact with employers beyond supplying programme graduates, and it failed to achieve lasting cultural or practice change in the industry⁷⁴. The programme was also unable to establish any impact on individuals' financial self-sufficiency, and therefore the relatively high costs of the programme (due to the technical nature of the training) were not outweighed by the benefits
- The 'green jobs' sector has dispersed jobs with a predominance of small firms and limited external labour markets. It therefore requires resource intensive interventions, with the specific needs of the sector difficult to translate into training. The experiences of two US **Energy Training Partnerships** were that finding the right expertise to deliver training, and linking training with demand growth, were difficult not least because growth was often in highly specialised positions. Additionally, the highly technical nature of the training, and relatively high barriers to entry, made the sector somewhat inaccessible for individuals in low wage situations⁷⁵
- In financial services, advancement often involves a combination of technical skills, interpersonal and networking skills, and, increasingly, amassing a broad set of experiences across various divisions within a company. Advancement in tiers of entry-level positions typically involved lateral moves that may or may not lead to a salary increase. Sometimes the best route to a promotion is by moving to a new company. Indicators of advancement therefore need to be designed specifically to match the characteristics of the sector. For the **Year Up** initiative,

⁷³ Abt Associates (2009). *Hotel Career Center*. Boston: Skillworks

⁷⁴ Mt. Auburn Associates (2014) *Partnership for Automotive Career Education Final Report*, The SkillsWorks Funders Group

⁷⁵ Scully-Russ, E. (2013). *Ibid.*

undertaking a career pathways analysis during the planning phase helped identify characteristics of the sector that then shaped the delivery model (for example, entry to the sector requires a qualification, but in-work performance, rather than higher level qualifications, is used to determine advancement)⁷⁶.

The decision about which sectors to target therefore needs to take account of the quality of jobs available in the sector, with a focus on sectors with higher quality entry level positions. There should also be an economic rationale for selection either because the sector is growing, and/or it is a focus of regional/local economic development strategy⁷⁷. Furthermore, cost effective models of training must be sought, and whether this is possible will depend to some extent on sectoral characteristics. However, in addition to sectoral characteristics, individual employer business models also affect whether wage and career development can be achieved, so that job mobility (within a sector) is often a successful strategy for progression.⁷⁸ Questions also exist about whether there is a sufficient volume of UK employers that offer good jobs with relatively low entry barriers to make such an approach viable⁷⁹. There is therefore still much to learn about which sectors to target in the UK.

CONCLUSIONS

Robust evidence on the impact of sectoral initiatives, particularly those with a progression focus, is scarce in the UK. This reflects the relatively recent interest in progression outcomes and the dearth of evaluations utilising RCT or experimental methods. To establish a stronger evidence base, **future UK initiatives should build in robust evaluation methods from the start**. Additionally, the development of a set of UK-specific outcome measures, which can be applied to each initiative/sector as appropriate, is necessary if cross-programme comparisons are required to support investment decisions.

⁷⁶ Mt. Auburn Associates. (2014). *Year Up Financial Services Partnership: Final Report*. The SkillWorks Funders Group.

⁷⁷ Sissons et al (2016) *ibid*.

⁷⁸ Ray et al (2014) *ibid*.

⁷⁹ Sissons, P. and Green, A. (2017) *ibid*.

Most sectoral progression initiatives focus on one city or area even when funded by national government. **Well-developed knowledge of local labour markets and local networks**, including employer links, is required to successfully deliver programmes. There are also advantages to **bringing together a range of actors in programme design and delivery**, particularly those who would not normally work together (e.g. education providers and employers), to challenge existing ways of delivering occupational training. Managing these relationships well, however, requires planning, skill and commitment.

Different typologies of sectoral based training programmes have been developed by UK, US and EU authors. Whilst they use different language, they share many common elements, including the **need for specifically designed training, which is flexible, modular, allows entry and exit at a range of points, and additional support for participants**. In the US, there is a focus on system change, whereas in the UK and Europe this is described in terms of improving policy. There is therefore the potential for sectoral progression initiatives in the UK to affect the way in which occupational training is designed and delivered. This possible outcome could therefore usefully be monitored alongside gains to employers and individuals.

There is agreement that employers should be involved in sectoral initiatives. It is important though for **delivery agencies to go beyond acting as a recruitment provider** for employers if progression goals are to be fully realised. Employers must be prepared to **support incumbent workers in different ways, including financially, and to help them embed new occupational skills into their work**. UK employers are likely to need clear messaging to encourage them to see skills progression as a 'win/win' for both individuals, their organisations and the entire sector.

A dual customer model can serve the needs of employers and individuals concurrently although there are some inherent tensions which must be overcome. Employer interest in such programmes is likely to be driven by the need to address recruitment difficulties, for example, rather than by a desire to upskill staff. **A 'one up, one in model' (which upgrades training for one worker then backfills the subsequent vacancy)** is one example from the US of how employers have been incentivised to engage in the progression agenda.

It is important to select the right training providers to work on sectoral progression initiatives, to **ensure that any occupational training is clearly linked to career pathways, and that it is delivered to meet individual and sectoral needs** rather than those of the institution. Providers that have an institutional commitment and/or experience of delivering to adult low-wage learners may be more likely to offer courses

in a way that suits those learners, for example fast-tracked courses delivered locally to participants at suitable times.

Low-wage adult learners are likely to have financial barriers to training participation which will need to be overcome. Some of the most successful initiatives combine financial incentives with a broader range of support. Involving community organisations allows initiatives to tap into existing support mechanisms. However, there are examples in the literature where the gains made by programme participants in receipt of financial incentives were limited. To maximise the return on the investment, **sectors, individuals and employers must be carefully targeted.**

There is only limited evidence about how sectoral progression initiatives work within specific sectors. Rather than identifying sectors where initiatives work well or do not, the literature instead suggests the characteristics of sectors where success is more likely. The evidence suggests that **sectors which are the focus of local or regional economic development strategy, which have higher quality entry level jobs and/or where there are clear opportunities for progression should be the focus of initiatives.** Whether sufficient employers in this type of sector can be successfully targeted in the UK remains to be answered.

ANNEX - CASE STUDIES

The Annex presents three case studies of different progression focused initiatives that have been implemented in the US. Each case study considers the key components of support and the outcomes achieved through delivery in order to present a detailed account of different delivery models that can be implemented.

CASE STUDY ONE: Hotel Career Centre, United States of America

The Hotel Career Centre aimed to help low-income immigrants in the Boston area improve their career prospects and earnings within the hotel industry, whilst supporting Hilton properties to upskill and train high-performing employees.

The partnership was funded by SkillsWork, building on an existing partnership between the International Institute of Boston (IIB), the Hilton Hotel Corporation, and the Massachusetts Lodging Association Education Foundation (MLA). There were 56 employers operating across the regional network by the fifth year.

Support offer

The partnership operated a dual model, supporting both out-of-work and in-work participants through work-place based training and skills support. Pre-employment participants were provided with a mix of training, placement and career coaching through the Hospitality Training Program (HTP). The HTP was a six week programme which included hotel tours, resume/interview assistance, preparation for job placement and, during the last two weeks, job shadowing opportunities for students.

Incumbent employees were offered job-specific language and computer skills training, alongside intensive career coaching through the Hotel Career Centre (HCC). HCC was a virtual centre that provided on-site instruction for employees of properties managed by the Hilton Corporation. HCC offered classes throughout the year and participants generally attended two days per week.

Outcomes

Over the course of five years, 500 participants enrolled onto the programme. 191 individuals who participated in HTP were placed into employment in the hospitality industry, whilst 50 in-work participants received promotions and over 100 experienced a wage increase. The majority of participants reported wider benefits, such as improved workplace skills, relationships with colleagues and managers, and better quality of life.

Employers praised the program for helping to increase the skills of its workforce and creating an environment where supervisors and staff were able to interact more fully because of employees' improved language skills. Employers also reported improved practices that will have lasting implications for the way they operate and invest in their employees.

CASE STUDY TWO: WorkAdvance, United States of America

WorkAdvance was designed to help unemployed and low wage adults enter and progress in quality work opportunities in growth sectors across New York. Support is primarily provided to participants, although employers are involved in sourcing in-work participants and for job brokerage opportunities. The programme operates across a mix of sectors including IT, transportation, manufacturing, health care, and environmental remediation. The programme was based on the theory that improved training, employment-related skills and workplace experience improve the state of the labour market, but only when skills development and work preparation opportunities align with labour market factors and employer demand.

Support offer

Each WorkAdvance provider focuses on specific sectors, tailoring core elements of the WorkAdvance model to the relevant industry and local labour market factors. Core elements of the WorkAdvance model include intensive screening of participants, sector-focused pre-employment services (for example, soft skills and job search support), sector-specific occupational skills training, sector-specific job development and placement opportunities and postemployment retention and progression support.

Outcomes

WorkAdvance resulted in substantial improvements in participation of each category of service offer, including training completion and credential acquisition, compared with what would have happened in the absence of the programme.

All provider sites led to an increase in participants' employment in the targeted sector, although the size of impact varied substantially across the sites. Similarly, findings suggest WorkAdvance had a positive impact on the number of in-work individuals retaining and progressing into higher quality jobs, better paid jobs. Again, the impact for the in-work cohort varied across WorkAdvance sites. The pattern of wage impact aligned with providers' experience in running sector-based programmes, and the extent to which the services offered were driven by labour market need.

Overall, findings suggest the economic impacts of WorkAdvance were positive and statistically significant. Longer term tracking suggests that the impact of the programme lasted beyond two years, and in some cases, impact grew beyond the two year point.

CASE STUDY THREE: Jobs to Careers Programme, United States of America

Jobs to Careers: Promoting Work-Based Learning for Quality Care is a nation-wide initiative in the US that sought to advance and incentivise skills and career development for low paid workers within the health and social care sector. The initiative fostered the development of partnerships between key stakeholders including employers and skills providers across 17 sites, with the overall ambition of increasing the skills level of health and social care frontline workers, with resulting improvement in the quality of care for patients.

Support Offer

Jobs to Careers focused on improving training, development and advancement practice through new models of work-based learning and strategies, including:

- Embedding the curriculum into the work process – modifying training and skills development curriculum to ensure lessons and training objectives were relevant to employer needs and tailored to the responsibilities of staff.
- Embedding learning into the work process - learning was offered within the workplace, workers were paid for time spent in training and additional work-related options including job shadowing and placements were provided.
- Embedding assessment into the work process – skilled senior and supervisor staff actively participated in the learning process through formal evaluation of participants. This helped to ensure the curriculum related to participants jobs.
- Peer learning – participants were offered coaching and mentoring opportunities by experienced staff in senior positions to them.

Outcomes

Of the participants to complete the programme, 71% acquired a certification and 67% received a wage increase. The average hourly wage increases for those to complete the programme was \$2.10. Participants of the programme reported a wider range of benefits beyond upskilling and progression, including improved relationships with co-workers and supervisors, improved self-confidence, value and knowledge.