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Supporting Progression in Growth Sectors

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Supporting Progression in Growth sectors: A Review of the International Evidence

Dr Paul Sissons, Professor Anne Green and Dr Neil Lee

Centre for Business in Society, Coventry University;
Institute for Employment Research, University of Warwick;
Geography and Environment, London School of Economics and Political Science

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For further information please contact:

Emyr Williams
Public Policy Institute for Wales
Tel: 029 2087 5345
Email: Emyr.Williams@ppiw.org.uk

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Summary

For this paper a detailed search of the available evidence on in-work progression in growth sectors has been conducted. The growth sectors considered are: Financial and professional services; Manufacturing; Energy and environment; Construction; Social care; and, Hospitality. The report finds that:

- A sizeable proportion of low-paid workers experience limited pay progression, even over extended periods of time. Yet progression has not been a focus for employment policy.
- Policy is beginning to shift in the UK, and recent changes suggest some greater role for a focus on progression. Examples include the introduction of Universal Credit, which will have a progression dimension; the UK Futures Programme which was run by the UK Commission for Employment and Skills (UKCES); and progression initiatives which have been agreed as part of 'City Deals'.
- Overall, there is relatively little evidence relating to initiatives targeting progression that might be classified as 'proven' (i.e. robustly assessed). This is an important finding in itself. The most robust studies come largely from the US. The US evidence is primarily from localised targeted initiatives which target entry into good quality employment opportunities, which are more likely to offer chances for career advancement. These studies provide demonstrate that initiatives can be designed to support worker progression.
- The US evidence points to a potential benefit of a sector-focused approach to progression. However, there is insufficient evidence to identify the 'best' sectors to target. In some sectors, such as hospitality, the context to supporting progression is more challenging.
- To develop evidence to inform initiatives to support progression there is a need to trial different types of activities. Opportunities to do this include the introduction of Universal Credit, and the potential for local projects and pilot activities as part of devolution settlements with cities and local areas.
- Sector-focused initiatives appear a good place to start, although they are not the only approach. Experimentation which includes testing across different sectors and sub-sectors would provide valuable learning.
- Opportunities to integrate economic development strategy with initiatives targeted at progression can help to secure employer buy-in.
- More broadly, the issues around progression highlight the importance of the consideration of business models alongside employment policy.

Introduction

In-work poverty is of increasing concern in the United Kingdom. In part this reflects the long-tail of low-paid work that exists. For workers in low-pay it is not always easy to escape: it has been shown that signifcant numbers of low-paid employees experience relatively little wage progression even over extended durations (Hurrell, 2013; D-Arcy and Hurrell, 2014). There is also new evidence from the 'Harnessing Growth Sectors for Poverty Reduction' project of distinct sectoral patterns to the chances of progression out of low-pay.

The focus of this report is on the role that growth sectors might play in increasing opportunities for progression for low-paid workers, and on examining the evidence base for sector-focused approaches to developing progression. This contribution is one of a number of research reports which analyse the potential of growth sectors to support poverty reduction aims. The growth sectors discussed are outlined below.

The paper is structured as follows: Section 1 introduces the issue of wage progression and the sector focus adopted; Section 2 details the approach to evidence review and analysis which is taken; Section 3 outlines the importance of the issue of progression from low-paid work and the potential role for public policy in encouraging retention and progression; Section 4 provides the main evidence review, initially with a wider focus on sector-based policy, before considering the issues at the individual sector level; Section 5 draws conclusions and policy implications from the evidence.

Why focus on growth sectors and poverty?

Following the economic crisis of 2008/9 there has been a renewed interest in industrial policy as part of attempts to stimulate economic growth (Mayhew and Keep, 2014; Sissons and Jones, *Forthcoming*). The UK Government (initially the Coalition Government 2010-2015) identified specific sectors ('growth sectors' or 'strategic sectors') at national and sub-national level as a focus of policy attention (see BIS, 2012). UK Industrial Strategy (BIS, 2012; HM Government, 2014) identified the following parts of economy as being of long-term strategic importance[1]:

- advanced manufacturing (including automotive) – characterised by technological strength and innovation, and supply of 'high value' products;

[1] It should be noted that the Welsh Government and various sub-national bodies in the UK have identified their own growth / priority sectors. There are similarities and differences in the various growth / priority sectors identified.

- knowledge intensive traded services (in particular professional and business services) in which the UK is considered to have comparative advantage, with expanding use and development of technology and important links to other parts of the economy; and
- 'enabling industries' (including energy, construction) which are sectors that have a significant impact on enabling or constraining growth in other parts of the economy.

At this level, industrial strategy largely targets growth sectors from an international 'competitiveness' perspective. This means there is often a disconnect between policy which is focused on growth, and policy focused on poverty. This is important because evidence suggests that employment growth, rather than growth in gross value added, has a greater impact on poverty (at least in the short-term) (Lee et al., 2014). For these reasons, the growth sectors that have been selected for inclusion in this research represent a mixture of high value sectors, those of strategic focus, and those forecast to generate significant employment growth.

The growth sectors which are focused on in this report are listed below. These sectors were compiled using details of Gross Value Added (GVA), projected employment growth and policy interest (industrial strategy). The list includes some large low-paid sectors, as well as sectors which are typified by higher wage jobs but with relatively high barriers to entry. The process for identifying sectors is described in full in an accompanying report. The growth sectors examined through the project are:

- Financial and professional services
- Manufacturing
- Energy and environment
- Construction
- Social care
- Hospitality (including tourism)

There are several reasons why the focus on growth sectors in this research offers potentially useful insights for policy and practice:

- Growth sectors are generating opportunities from those out of work or those in low pay in other sectors to potentially move into, and therefore understanding what works in linking people in poverty to these opportunities is an important aim.

- Where growth sectors are targeted by industrial strategy this can create opportunities for policy to help support the growth and widening of opportunity, for example through provision of business support services and integrated strategies for economic development and skills policy which encourage firms to upgrade strategies.
- Fast growing sectors are more likely to experience skills shortages, which can encourage employers to seek to engage with publicly funded skills and training provision.
- Where growing sectors experience high levels of staff turnover this may act as a driver to target approaches to make employment in the sector more attractive, for example through developing more clearly defined progression opportunities (Duke et al, 2006).
- More generally a sector focus is of interest because public policy may have more traction in some sectors than others (Schrock, 2013). However the evidence base on this is poorly synthesised, meaning the scope for intelligent targeting of sector-based approaches is limited.

The increasing interest in progression

The UK's relative poverty rate (After Housing Costs) in 2014-2015 was 21 per cent (DWP, 2016)[2]; and there is a concern that recent periods of economic growth have not significantly reduced poverty. Research has highlighted that changes to tax and benefits, as well as on-going changes in labour market structure, are likely to see rates of poverty increase in the coming years (Brewer et al, 2012; Joyce, 2015).

Policies aimed at poverty reduction have typically prioritised work entry among disadvantaged groups. Past research has demonstrated the importance of employment as a route out of poverty, and the risk of poverty remains significantly higher for workless than working households (Smith and Middleton, 2007; Browne and Paull, 2010). However, there is a concern about the sustainability of the benefits of job entries where these are into low-paid and precarious employment. Workers who enter low-wage work are disproportionately more likely to experience subsequent periods of unemployment (Stewart, 2007); creating the so called 'no-pay/low-pay cycle' which can increase financial instability (Shildrick et al, 2010). Job quality, including opportunities for earnings growth and career development, are therefore important elements of encouraging sustainable exits from poverty (Tomlinson and Walker, 2010).

[2] The figure measured before housing costs was 16 per cent.

In recognition of these issues, policy makers in the UK have begun to pay greater attention to the problems associated with employment retention and progression. The Employment Retention and Advancement (ERA) pilot developed learning in this area. ERA was a pilot programme which provided additional support and financial incentives to try and encourage retention and progression outcomes. Subsequently, the Work Programme payment model introduced a system of 'payment by results' which shifted the emphasis towards supporting sustained employment outcomes; although there is little evidence to suggest this change generated significant innovation in service delivery (Ray et al, 2014). While changes in the benefit system associated with the introduction of Universal Credit (UC) also place additional emphasis on wage progression for very low-earners. UC is a single benefit which will replace a number of out-of-work and in-work benefits. Within this context of a growing interest in progression, the question of what works in improving outcomes is clearly important.

Accessing and Assessing the Evidence Base

In this section details are provided for the process through which the evidence base on progression in growth sectors was sourced and assessed for this research. Overall, both the quantity and the quality of the evidence base are relatively limited. This is an important finding in itself when considering policy design.

Evidence search and review

Each of the evidence review reports in the project followed the same format, using the principles of a systematic review to source, screen, collate and assess the evidence (based on an adapted version of the EPPI-Centre [2002]).

The following academic sources were searched for relevant literature:

- ABI/Inform
- ASSIA (Applied Social Science Index & Abstracts)
- Business Source Premier (in EBSCO)
- DOAJ Business and management
- DOAJ Economics
- Econlit (in EBSCO)
- Emerald
- Google Scholar[3]
- Index to Theses
- International Bibliography of the Social Sciences
- JSTOR
- Scopus
- Social Science Citation Index
- Sociological Abstracts

To facilitate searching a set of key terms were developed[4]. These were used to search on the *abstract* for relevant studies focused on employment or skills policies in growth sectors. The search terms were used to source literature of relevance to

[3] Google Scholar cannot be searched in the same way as the other academic databases. Therefore the design for searching the grey literature was applied to Google Scholar.
[4] While the terms were applied as consistently as possible, some minor modifications had to be made to some parameters to fit within the design of searching facilities in some databases.

the three evidence review papers undertaken as part of the project which focus on employment entry; progression/advancement; and, job quality respectively. Searches were limited by time – to years between 1995 and 2015; and, by geography to the UK, Europe, Australasia and North America.[5] The keywords for searching academic studies are presented in Table A1 in Appendix 1.

A second phase of the searching aimed to compile relevant grey literature which would not be picked up through the academic search. This involved a somewhat different approach using standard searching software. For this a second set of search terms was developed. These were designed to have a particular emphasis on evaluation evidence. The search terms are presented in Table A2 (in Appendix 1).

A third phase of searching was to target specific repositories of research by relevant think tanks, research centres, Government Departments and international organisations. The repositories which were searched are detailed in Table A3 (Appendix 1):

During the searching phase articles were initially shortlisted on the basis of title relevance. All references were then compiled and held in an Endnote database. References were then subject to a second sift based on a review of the abstract. This identified articles of core relevance, which were then reviewed in full using a data extraction template, and those of contextual relevance only. **Core relevance was assessed by whether the article or report provided evidence on a programme, project or intervention targeted at progression and which operated (at least in part) in one of the growth sectors.** The data extraction template (proforma) was developed to capture information on a number of important parameters. This included the strength/robustness of the evidence, recording information about evaluation methods including the establishment of a suitable counterfactual. In particular, the Maryland Scale was used to delineate evidence into robust and descriptive (non-robust) studies. The Maryland Scale is a way of assessing the strength of evidence on the basis of the approach to evaluation which is adopted (Sherman et al., 1998; What Works Centre for Local Economic Growth; undated). The Maryland Scientific Methods Scale as applied here is detailed in Table A4 (Appendix 1). The criteria for robust evidence is taken as Level 3. **In this report, under each sector heading the robust evidence (where any is available) is presented first.**

[5] Some references from 2016 which have been published subsequent to the evidence review having been conducted have been introduced into this report where relevant.

Other details recorded from shortlisted articles included funding and delivery models, outputs and cost-benefit estimates where available. The extent to which the intervention was targeted at poverty (directly or indirectly) was recorded, as were important contextual factors. Finally, where interventions were operating outside the UK, an assessment was made of the extent of potential 'transferability'.

Additional material has also been incorporated in this report based on further ad hoc searches of particular sectors, material already known to the research team, and citations followed-up from key papers. Where this material is reported, it is in the main used to provide contextual relevance to the sectors of focus; this is provided to support consideration of the nature of the evidence in relation to current and future opportunities and pressures within the different sectors.

Assessment of the evidence base

Evidence can be considered in relation to whether a policy or practice is:

- **Plausible** – makes sense theoretically but has not been tested empirically
- **Promising** – where outcomes from the practice appear positive but where evidence is not robust
- **Proven** – where practice has been subject to rigorous evaluation with positive benefits demonstrated

(Corbett and Weber, 2001)

Overall the scale of the evidence on programmes and initiatives aimed at progression in growth sectors is relatively limited, while only a small number of examples of evidence drawing on robust evaluation frameworks were found; representing a paucity of 'proven' evidence. The limited nature of evidence, robust or otherwise, reflects the relatively novel position of progression as a consideration in employment policy. Where robustly evaluated programmes and projects were found, these are mostly from the US, where there is both greater local variation in policy approaches and a longer established focus on robust methods of evaluation. The distribution of programme and project evaluations is also unequal across the sectors of interest.

With regard to the adoption of a specific sector-focus (rather than a sector neutral approach), there is some robust evidence that suggests the potential benefits of adopting sector-focused orientations in programmes, although this is based largely on a relatively small number of US studies.

In short, the evidence on what works in improving progression for low-paid workers is limited but slowly building. There remains an important need to further develop, test and evaluate new approaches.

Finally, it is important to note that the concern of the research project is on the relationship between growth sectors and poverty. In the main however, the programmes and projects reported here measure success on indicators which are largely at the individual level, for example increased wages or employment of particular groups; as such the relationship to household poverty is often not directly observed.

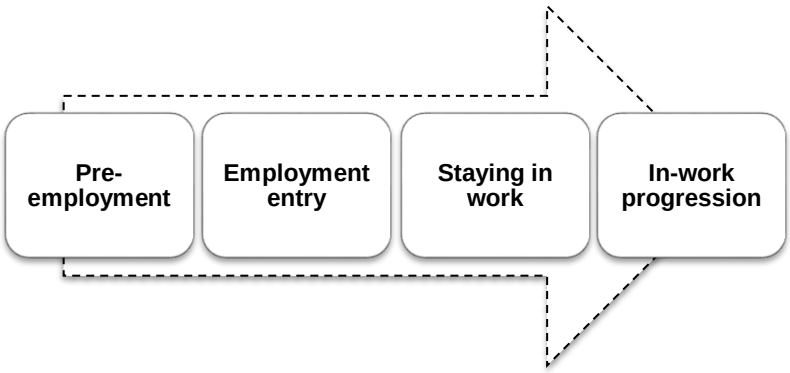
Progression and Public Policy

This section considers the relationship between public policy and progression of low-paid workers. First, the barriers and facilitators of individual progression are discussed. The subsequent sections consider the focus of policy with respect to employment and poverty; with the dominant focus to date being on employment entry (and preparing for employment through pre-employment initiatives). While employment entry clearly remains important, the growth of in-work poverty and the identification of a low-pay/no-pay cycle have created the impetus to begin considering retention and progression aims in more detail. As such a number of emerging policies and programmes can be identified which have progression aims, these are detailed subsequently.

Defining progression and ways to progress

Progression is a growing area of interest in the UK and one which is linked to several strands of policy. There has been an increased concern about in-work poverty; changes to the benefits system and the introduction of Universal Credit link to progression aims; while progression is also part of the broader debate on social mobility (Social Mobility and Child Poverty Commission, 2015). Seen from the viewpoint of a stylised employment pathway (Figure 1), progression is the final step or goal of an individual in moving from non-work into employment. It is preceded in some cases by pre-employment support such as basic training or employability skills among a range of potential interventions; employment entry, the process or finding work; and work retention (staying in work).

Figure 1: A stylised employment pathway from non-work into employment



(Source: Green et al, 2015)

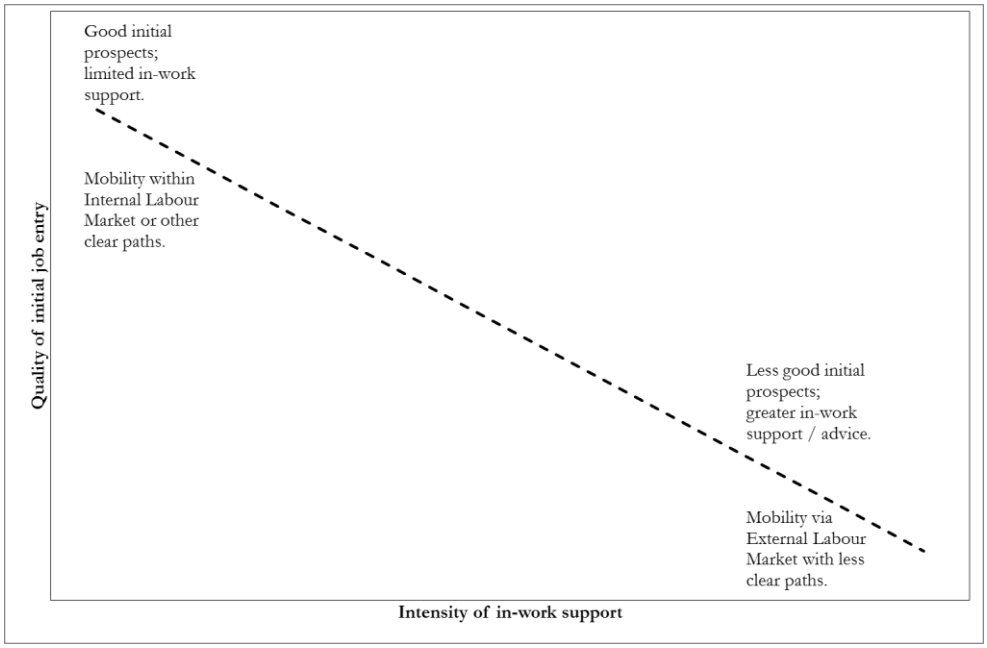
The term progression can be defined in various ways. It is mostly associated with attaining monetary increases from either a higher hourly rate or from more hours

worked; these two dimensions may be discrete and subject to different forms of policy intervention. Broader definitions also include some non-monetary measures such as increased job stability, which can also increase earnings over the longer-term (Wilson et al., 2013). Some forms of progression may also be horizontal (as opposed to vertical) and involve a shift to a different employer, sector or occupation which may offer better prospects over the long-term. Most programmes or interventions focus on (short-term) monetary metrics.

Progression can occur for individuals in different ways. A core distinction is whether progression takes place through internal or external labour markets. In other words do individuals progress by through promotion within their existing firm, or do they progress by moving to an alternative employer? This is an important consideration as for individuals working for employers or in sectors were the prospects for progression are poor, remaining with the same employer may simply lock a worker into low-wages (Hamilton and Scrivener, 2012; Pavlopoulos and Fourage, 2006).

The different ways of progressing suggest there is likely to be a trade-off between the quality of the initial job entry and the level of in-work support that might be required to support progression outcomes. Initial jobs with comparatively good prospects may require less emphasis on in-work support to help workers progress. Whereas progression achieved through mobility between jobs might require additional support around career advice and job changing. This is depicted in Figure 2. The nature of in-work support in programmes will also vary depending on whether a focus is on the internal or external labour market, including the balance between skills and training supports and other services.

Figure 2: Quality of job entry and intensity of in-work support in facilitating progression for those entering employment



Barriers and facilitators of progression

Several studies, drawing on different data sources, have assessed progression out of low-pay. These have generally found that a relatively sizeable proportion of low-paid workers remain stuck in low-pay, even over an extended duration (Dickens, 2000; Hurrell, 2013; D'Arcy and Hurrell, 2014; Kumar et al, 2014). For example, D'Arcy and Hurrell (2014) find that 12 per cent of workers with a relatively consistent employment history who were in low-pay in 2001 remained in low-pay over the entire period to 2011; a further 64 per cent were in low-pay in both 2001 and 2011 but had a period above the low-pay threshold during the intervening period.

There are a range of factors which tend to act as barriers, or reduce propensity, to individuals' progressing into higher paid employment. Studies have found that factors negatively associated with progression include: age, being a woman, having a health condition, being of Asian ethnicity, and having lower qualifications (Hurrell, 2013; D'Arcy and Hurrell, 2014). Evidence also finds some inter-regional differences in the chances of moving out of low pay, with higher transition rates observed in London (Savage, 2011; Kumar et al, 2014; D'Arcy and Hurrell, 2014). Employer size has been found to be positively associated with the chance of moving out of low-pay (Hurrell, 2013; D'Arcy and Hurrell, 2014). The sector of employment also has a significant influence on the propensity to progress, even once individual characteristics have been accounted for (Green et al, 2016). Progression from low

pay is particularly constrained in retail, accommodation and food services and residential care (Ibid.).

Individuals will also have different attitudes towards progression and while for some progression will be a goal, for others it will not. A sizeable proportion of low-wage workers may have weak expectations of their employer and a largely functional relationship with their job (Hay, 2015). Although clearly this is to some extent shaped by experiences of their workplace opportunity structure, and aspirations to progress may be responsive to additional opportunities becoming available (Ray et al., 2010). In some sectors the financial benefits of progression can be relatively small and may not act as a very strong motivator (Devins et al, 2014; Lloyd and Payne, 2012). Evidence also suggests that internal labour markets in many organisations have altered in recent decades to become flatter, resulting in the erosion of some internal progression pathways (Grimshaw et al, 2001; Baum, 2015)[6].

Additionally the prospects for both internal and external progression are shaped by the opportunities and constraints of the local labour market; these include factors such as:

- the sectoral and occupational structure of employment;
- the size and structure of establishments;
- business models of key employers (i.e. whether they are 'low cost', 'high value', etc.);
- and, the prevailing unemployment rate.

(Green et al, 2015)

At the firm level the overall incidence of low-pay is the result of a range of interrelated factors. The nature of those factors influencing the prevalence of low-pay and the security of employment at the firm level is set-out in detail by Metcalf and Dhudwar (2010 [see also Grimshaw, 2011]), these are:

- Demand fluctuations – daily, weekly or seasonal fluctuations related to either customer preferences over the timing of purchasing goods and services (for example holiday seasons) or production factors (for example growing cycles in agriculture); changes in demand for goods and services as a result of winning or losing new business/contracts; and, changes in demand linked to short-notice contracts.

[6] It is argued one impact of these changes is to reduce the incentives for low-paid workers to engage in training and learning (Keep and James, 2010).

- Cost pressures – linked to sub-contracting agreements; the duration of contracts; price pressure from purchasers, in particular from major buyers.
- Labour supply – including the extent to which pay premiums are used/needed to reduce turnover and increase the quality of staff; the characteristics of employees; levels of unionisation; and employee flexibility.
- Production factors – the size and location of firm; the industrial sector; management practices and the structure of internal labour markets; and product market strategies.
- Ethos and ownership – some element of pay may be linked to a desire for 'decent treatment' of staff rather than a business imperative.
- Employment legislation – in particular the pay floor set by the statutory National Minimum Wage.

Low-wage work is often associated with fewer chances to participate in formal training and with weaker Human Resource Management [HRM] practices internally (Newton et al, 2006; Devins et al, 2014). For some low-pay employers, the business case for better practices around career progression may be unclear or non-existent, particularly in cases where employees do not have difficulty in recruiting for low-paid posts (Philpott, 2014). This highlights the importance of the consideration of business models and related employer practices alongside employment policy (UKCES, 2012a).

Employment retention as a precursor to progression

Until relatively recently there has been only weak emphasis on the issues of retention or progression in work within employment policy in the UK. This reflects the dominant 'work first' orientation of the design of Active Labour Market Policy (ALMP). The issue of low-pay has been largely considered by policymakers in relation to concerns about the low-pay/no-pay cycle, whereby individuals move between periods of unemployment and employment in low-paid work (Shildrick et al 2010). Evidence demonstrates that low-paid workers are disproportionately likely to experience periods out of work, as low-paid jobs act as "the main conduit for repeat unemployment" (Stewart, 2007, p.511). As such, the policy focus has recently moved to place some greater emphasis on employment retention. The payment model of the Work Programme, the support targeted at the long-term unemployed or those at risk of long-term unemployment, shifted towards an emphasis on "payment-by-results' and paid providers on the basis of sustained employment outcomes. Although there

is little evidence that the changes to the payment model resulted in significant innovation in delivery practice (Ray et al, 2014).

A major intervention to assess developing employment services aimed at sustainability of employment entries was the Employment, Retention and Advancement (ERA) pilot. The UK ERA drew heavily on delivery models developed in the US. In the UK, ERA targeted two groups: the long-term unemployed and lone parents. The programme provided a range of support for individuals including access to job coaching, services and guidance, and a financial incentive (Hendra et al, 2011). The financial incentive was a work retention bonus payment of £400 every 17 weeks for working 30 hours a week or more (reaching a maximum of £2,400). Financial support for training was also available (up to £1,000) and a training bonus payment was made on course completion. ERA was extensively evaluated, with the evaluation demonstrating positive outcomes (Hendra et al, 2011). However these gains faded over-time for the lone parents group (Hendra et al, 2011). The training element of the ERA programme appeared less successful than other elements. Although the programme increased training take-up, those that undertook training did not experience earnings gains. This may be because training was not well-aligned to local labour market opportunities or because there was insufficient complementary support to help individuals make a switch to a better paying role following training completion (Ray et al, 2014).

New approaches to progression

Following from an interest in retention there is now an increasing policy interest in in-work progression. This shift is the result of both the role progression can potentially play in supporting retention outcomes and a growing concern about the broader issue of in-work poverty. In employment policy, in-work progression becomes more important in the context of the introduction of Universal Credit, under which there will be an expectation (with in-work conditionality) that very low earners will seek to increase their hours and/or wages. A number of trials of different delivery approaches have been running to assess their potential to support this goal.

Another example of a growing interest in progression is found in the City Deal agreed with Plymouth LEP. The City Deal contains an element which was aimed at improving the wage progression of young workers. The project has received £750,000 in funding and was developed jointly with the Department for Work and Pensions (DWP) and the Cabinet Office. The pilot, which is contracted to an existing Work Programme provider, tests ‘a range of approaches to help young people to

progress in their careers and increase their earnings" (Plymouth and the South West Peninsula City Deal prospectus, p.11). The delivery model is a caseworker-led approach which can include the following provisions: access to specific skill development activities; personalised career plan; targeted information, advice and guidance (IAG) linked to career aspirations; and, re-employment activity (Ibid.). The programme is on a voluntary basis and targets progression across a mix of within and between employers (Green et al, 2015). The Glasgow City Deal also includes an in-work progression programme targeted at low-paid sectors. While a devolution deal with Norfolk and Suffolk also includes a strand focused on pay progression.

Progression from low-paid employment was also an area of concern for the UK Futures Programme which was developed by UKCES[7]. One strand of funding under this programme sought to support employer initiatives targeted on 'Progression pathways in retail and hospitality'. Across the whole UK Futures Programme, 32 partnerships were funded to test solutions to five productivity challenges including pay and progression for low-paid workers; management and leadership in supply-chains; and leadership in small firms (Thom et al, 2016).The programme was developed as a co-investment model with small amounts of public investment aiming to lever larger amounts of private investment for productivity challenges and workforce development (Ibid.). The evaluation for the hospitality and retail pay and progression pathways programme identified different challenges faced by smaller and large businesses around progression pathways; with work with small firms more reliant on progression across firms and the message of 'building a talent pool'. (UKCES, 2016). The evaluation also highlights the importance of management buy-in, the role of intermediaries in bringing employers together and the challenge of 'scaling-up' activities (Ibid.).

[7] UKCES is closing as a result of cuts to government department budgets

Evidence on Progression Initiatives in Growth Sectors

In this section the evidence from the literature search and review is presented for each growth sector in turn. Within the write-up for each sector, contextual information is also presented which is pertinent to issues of progression.

Before presenting the sector evidence base, the initial sections provide commentary on the overall scale of the evidence base and the evidence base for sector-focused focused policy more broadly (i.e. if there is a persuasive argument for sector-focused rather than sector-neutral policy regarding progression).

Assessment of the evidence base on growth sectors

Overall there is a relatively small evidence base relating to the role that public policy might play in supporting progression, and limited robust evidence of what works in encouraging retention and progression of low-paid workers (Green et al, 2015). As described previously, this is largely a reflection of the fact that employment policy has been predominantly focused on supporting individuals into work, with less consideration of what happens after they get there. The evidence base is most developed in the US where there has been some policy design experimentation around sector-focused progression (advancement) policy. This evidence base is reviewed in this paper. Generally the evidence on retention and progression suggests that a 'mixed strategy' is likely to be appropriate, including support such as careers advice and skills training alongside access to supportive provision such as childcare (Fitzgerald, 2004; Holzer and Martinson, 2005; Giloth, 2009; Maguire et al, 2010).

It is also worth highlighting that the evidence base is stronger for programmes where progression aims are built in as part of a programme targeting employment entry, followed by retention and progression. There are fewer examples targeting those already in the workplace (which raises a range of different issues, particularly around the engagement of individuals), although a number of the US initiatives reviewed are open to low-income job changers. For those already in work, the availability of effective forms of information, advice and guidance is likely to be important, as well as access to appropriate skills development opportunities (Green et al, 2015).

Sector-focused policy and progression

Over recent years one element of provision to support individuals to enter employment in the UK has been the development of a sector-focus, most obviously

through the development of sector-based work academies (see Green et al, 2015). In the US there has also been a growing interest in the potential for developing sector-focused initiatives which also aim to encourage progression outcomes (for a summary see Conway and Giloth, 2014). This has included the establishment of a number of programmatic initiatives which have been focused on more closely integrating the training and skills needs of individuals with the demand-side needs of particular employers or sectors, and using this to try and develop career pathways and opportunities for progression (Maguire et al, 2010; Martinson, 2010). The rationale for sector selection which has been often adopted for sector-focused programmes has largely been to target industries which offer comparatively well-paid entry-level posts, offer chances for progression, and/or, where there is an economic development driver for selection (i.e. sectors which can support local economic development) (Schrock and Jenkins, 2006).

The US evidence highlights the following learning from sector-focused approaches:

- A 'dual customer' approach, where providers seek to help both employers and jobseekers/low-wage workers through the same programme, appears to have promise (Conway, 2014).
- A driver of employer engagement (for example addressing skills shortages or tackling high turnover) may be required to effectively engage employers.
- Developing sector-based policies requires identification of a 'promising' sector/sub-sector which has the potential to offer opportunities for those on low incomes, and then developing a strategy to improve access to or outcomes in that sector (Conway, 2014).
- Local partnership working is important (Conway and Giloth, 2014).

(Source: Green et al, 2015)

Initial evidence on sector-focused programmes

Initial evidence on the potential benefits of sector-focused programmes was published in an influential paper by Maguire et al (2010) which draws on evidence from Randomised Control Trial (RCT) evaluations covering three US programmes:

- The Wisconsin Regional Training Partnership (WRTP);
- Jewish Vocational Service – Boston (JVS Boston); and
- Per Scholas.

The report describes the programme as representing an approach to workforce development focused on sectors which has resulted in "industry specific training

programs to prepare unemployed and under-skilled workers for skilled positions and connect them with employers" (Maguire et al 2010, pii). The focus of the interventions was primarily on labour market entry to 'good jobs' which offered prospects for decent initial wages, as well as retention and progression opportunities. The study sought to use an experimental research design to answer the question:

"Do mature sector-focused programs result in significant labor market gains for low-income, disadvantaged workers and job seekers?" (Maguire et al 2010, p.6).

The study assessed whether the programmes made participants more likely to find employment, to work more consistently and to obtain higher quality jobs (measured by wages and access to benefits).

Across the three sites covered by the analysis, 1,286 participants were included in the study over 2 years. Half were selected at random and participated in the programme (the treatment group); the remaining half did not receive services from the study sites, but could receive services elsewhere (the control group). Tests presented found no systematic differences between treatment and control at the baseline (therefore suggesting randomization was successful), and suggest bias related to attrition at follow-up was limited, and that controls could be used in to adjust for this.

The overall findings on key employment outcomes (across the three programmes) for the study were positive, finding that:

- Programme participants earned about $4,500 (18 per cent) more than the control group over the course of study, and 29 per cent more in the second year.
- Participants were more likely to find employment, and by the end of the second year to have worked more consistently.
- Participants were more likely to work in jobs that paid higher wages.
- Participants were more likely to work in jobs that offered benefits by the end of the second year.
- Earnings benefits were found for a range of groups including African Americans, Latinos, immigrants, those with criminal records and young adults.

Although the headline findings pool the sample across programmes, the programmes themselves were different in terms of sector focus and model of delivery. Information

on the delivery models and some headline results are briefly presented here (with the full results are available in Table A5 in a separate Technical Annex).

1) Wisconsin Regional Training Partnership: an employer-union partnership focused on healthcare, manufacturing and construction in Milwaukee.

- An association of employers and unions developing training programs (2-8 weeks) in response to employer's requests. Sectors included in study were construction, manufacturing and healthcare.
- Participants were significantly more likely to find work in higher wage jobs, secure union jobs and jobs with benefits.
- Construction workers attained the highest gains, healthcare workers benefited on some measures, while in manufacturing the results were mixed and showed no clear benefit.

2) JVS-Boston: A community based organisation focused on medical and office skills in Boston

- Job specific occupational skills were provided through a 5 ½ month training program. Followed by support for participants to access employment opportunities.
- Participants on average experienced a 21 per cent earnings gains over the 2 year period (reaching 35 per cent in the second year)[8].
- Young participants earned almost 50 per cent more than young adult control group.

3) Per Scholas: a social venture focusing on IT in the Bronx, NY which involves computer technical training.

- Jobs targeted by the programme included repair and maintenance of PCs, printers, and copiers; and installation and troubleshooting of computer networks.
- The initiative provided participants with skills to obtain industry certification via internships and work experience.
- Participants saw significantly higher earnings and were significantly more likely to be work.

The overall conclusions highlighted by the Maguire et al (2010) study of sector-focused programmes were that:

[8] This was largely attributable to their greater likelihood of being in employment

- Mature, non profit-led sector focused programs can increase the earnings of disadvantaged populations.
- Variation in approaches can be effective, but results in different effects on earnings. Programmes varied in length and target industry, and had differing emphasis on connections with employers.
- Non-profit organisations can play a critical role in delivering workforce services. The three programs in the study demonstrated an adaptability that allowed them to connected disadvantaged job seekers to employers using a mix of strategies.

(Maguire et al 2010, p.vi-vii)

The study identified common elements to the programmes which could be important for policy design, these were:

- Strong organizational capacity with the ability to adapt. Delivery organisations were able to understand the needs of employers and target employees accordingly – "Adaptive capacity...or the ability to ask, listen, reflect and adapt, underlies its success "(Maguire et al 2010, p.vi).
- Strong links to local employers and an understanding of the target occupation and connection to jobs.
- Basic skills, job readiness and technical skills were offered "through the lens of a particular occupation or sector" (Maguire et al 2010, p.vi).
- Recruitment and intake processes targeted outreach and recruitment of participants but also included screening to ensure a good match between participants and their target occupations.
- Tailored individual services were delivered to support training and completion and success on entering work; including addressing needs relating to childcare, transportation and/or legal services.

Sector-focused career centers

The Maguire et al (2010) findings have provided a basis for further programme development of sector-focused approaches. Gasper and Henderson (2014) provide evidence for the early effects of a promising sector-focused programme – Sector-focused Career Centers – based in New York. The programme was initially developed around three sector-focused centres – these were in transportation, manufacturing and healthcare. The transportation and manufacturing centers were subsequently merged into an Industrial and Transportation Center:

- The Industrial and Transportation Career Center – targets low-income individuals 'interested in accessing higher-wage occupations with career advancement potential' in transportation, manufacturing, wholesaling and construction sectors.
- The Healthcare Career Center – targets low-income individuals already working in healthcare who want to access higher paid jobs as well as individuals seeking entry level (~$10 an hour) positions in the sector.

The rationale for focusing on these particular sectors (or groups of sectors) was two-fold. First, they are sectors assessed to be of 'high growth potential'. Secondly, they are sectors that can offer comparably decent wages. This is important because the target of the initiative is to get workers into jobs which pay at least $10 an hour (with a target to get many workers into jobs paying $15 a hour). The focus of the provision is on job placement, career advancement, industry focused education and training, career advice and counselling, job search support, and some specialist training or licensing can also be covered. The level of training funded through the programme can be quite high level (for example CNC machining, commercial driving, or diesel technician training for the manufacturing and transport centre)[9].

The programme is structured to be a dual-facing (supporting employers and participants) and to combine economic development and anti-poverty strategy. The Industrial and Transportation Career Center is designed to help to "create a pipeline of highly qualified and trained transportation and industrial workers, thereby saving companies time and money in staffing, increasing productivity, and making businesses in the transportation and industrial sectors more competitive" (Gasper and Henderson 2014, p.5). The Center provides support to employers through recruitment assistance; industry specific training; and employers are eligible for NYC Business Solutions support – including legal and financial assistance, City procurement support and capacity building (Gasper and Henderson 2014, p.5). The governance structure of the Center has a business advisory council of employers, training providers, industry associations, and economic development organisations to help shape strategic direction.

The Healthcare Center has 12-15 community partners – including colleges, libraries, and community-based organisations. Participants are eligible for career advice, and training and support services tailored to the industry. Employers are eligible for the full range of NYC Business Solutions services.

[9] For the Healthcare Center, examples include paramedic and dental hygienist training.

The evaluation of the first-year outcomes of the programme develops a counterfactual to estimate programme impact. Participants in sector programmes were matched to non-participants using Propensity Score Matching[10]. Non-participants were from the 'standard' Workforce1 Careers Centers (WF1CCs), which offer employment services, career advice, job search help and skills training to those in and out of work but without a specific sector-focus. Participants and non-participants were matched on demographic characteristics and past work history (in the year before the programme). There are some potential limitations to the evaluation design. One issue is with self-selection, in that individuals enrol themselves or are referred into the industry specialised programmes rather than the sector-neutral offer. It is also unknown what, if any, previous industry experience participants have; if they have existing industry experience this may overstate the impact of the programme. Overall the results of the programme are positive[11], a year after programme participation:

- Participants were more likely to have been employed at some point after programme exit (83 per cent versus 73 per cent of the comparison group)
- Participants had greater job stability – 48 per cent had worked in each of the four quarters after exit (34 per cent of comparison)
- The programme increased average earnings of participants by $5,800 in the year after exit; 53 per cent more than the comparison group. Part of this was attributable to greater employment outcomes and stability, but when the analysis is limited to only those who worked the difference was still $5,003 (33 per cent) over the comparison group who worked (indicating there was a sizeable wage effect)
- Participants appeared to benefit regardless of characteristics and prior work history. Youths, ethnic minority workers, low-skilled workers and individuals with unstable employment history "all experienced significant employment and earnings gains under the sector-focused approach' (Gasper and Henderson 2014, p.vii)
- Average earnings increases were $9,071 (82 per cent more than the comparison group) for those receiving industry specific training. For those not receiving training the gains were $5,620 – suggesting that even without training the connections to employers associated with the sector approach have beneficial outcomes.

[10] 1-2-1 nearest neighbour caliper matching without replacement.
[11] The full results are provided in Tables A6 - A9 in the Technical Annex

- There were positive effects across all the Centers, with the largest gains found in the healthcare sector.

Illinois Job Training and Economic Development (JTED) programme

Supporting results about the potential benefits of sector-focused programmes are provided by Schrock and Jenkins (2006) in the evaluation of the Illinois Job Training and Economic Development (JTED) programme. JTED targeted sectors which offered comparatively good starting wages and opportunities for progression. These sectors were manufacturing, healthcare, and clerical and other services. The programme had two strands – one focused on job entry and other on incumbent workers. For incumbent workers the funding was directed to partnerships with employers aimed at skills upgrading. For job entrants the interventions were focused on training with employer input to the design. The programme outcomes for job entrants were assessed using propensity score matching, with the counterfactual group coming from a more light-touch job matching programme[12]. The evaluation group was 1,600 programme participants (51% of the total sample), the matched group came from jobseekers registered with the 'Employment Services Program', a job matching program with limited training undertaking. The evaluation found significant positive effects to employment rates and to earnings of programme participants in the job entry strand. It found JTED graduates were around one-third more likely to be employment (than the comparator group) one year after the programme; and with annual earnings of $2,500 more 6-18 months after the programme. Incumbent workers enjoyed wage gains but with no counterfactual to assess these against.

The WorkAdvance model

Building on learning from previous sector-focused approaches, a new model has been developed in partnership between the New York Center for Economic Opportunity (CEO) and MDRC (a social research organisation). The WorkAdvance[13] programme is targeted at low-income adults (those unemployed or earning under $15 an hour and whose family income is less than twice the federal poverty line). It aims to support these low-income workers to enter 'quality jobs, in high demand fields' which provide opportunities for progression (Tessler, 2013). The scheme is sector-focused although it is targeted on different sectors depending on the geography of delivery, with each provider targeting one or two sectors. The

[12] Using matched pairs (to comparison group using nearest neighbour) and difference in difference of outcomes

[13] A more detailed review of the Work Advance model is provided in a separate project report.

programme has a dual-customer approach, attempting to simultaneously address participant and employer needs. The sectors included in the programme are – information technology, transport, manufacturing, healthcare, and environmental services. The model is operating in three locations by four organisations:

- Per Scholas (New York) – focused on the information technology sector
- St. Nicks Alliance (New York) – focused on environmental remediation
- Madison Strategies (Tulsa, Oklahoma) – focused on transportation and later manufacturing
- Towards Employment (northeast Ohio) – focused on healthcare and manufacturing

(Hendra et al, 2016)

The characteristics of the WorkAdvance model are:

- Intensive screening of applicants – to ensure that participants' are likely to have ability to undertake and complete the training, as well as to meet the needs of employers. Screening also functions to try and limit programme deadweight by not taking on candidates likely to find good opportunities in the absence of the programme
- Sector-focused pre-employment services – providing pre-employment services, for example support with the application and interview process which have previously been shown to be effective, but with these adapted to be focused on the specific sector
- Sector-specific occupational skills training – which is closely aligned to specific employer and local labour market needs
- Sector-specific job development and placement – with access to employment supported by strong links between providers and employers
- Post-employment retention and advancement services – including provision to support ongoing career coaching, continuing contact with employers to assess performance, and access to additional skills opportunities needed to progress in work.

(Summarised from Tessler, 2013).

WorkAdvance has been evaluated using a randomised control trial. Individuals who were eligible for WorkAdvance were randomly allocated to the project or the control group, with the control group not being eligible for WorkAdvance services but who could access other services and support and available in the community (Hendra et

al, 2016). The two-year evaluation has found evidence of positive impacts of the programme but this varies across the providers. The evidence also suggests that the strength of impact grows as project duration increases. The evaluation finds that:

- Implementation of the model into a set of services took time (more than a year) for providers and required technical assistance.
- Across all the providers WorkAdvance generated a large take-up of services, training completions and credential acquisition (compared to control group outcomes).
- WorkAdvance supported increased employment in the 'target' sectors across all sites but the size of the impact varied. Differences in the extent to which the programme increased employment in the target sector was a 'critical factor' in explaining differential provider impacts.
- The impacts on earnings varied across sites 'in a patterns that closely matched the provider's experience in running sector-based programs and the extent to which services they offered were demand drive' (Hendra et al, 2016, p.ES-10).
- The pooled results for WorkAdvance demonstrate positive economic impact. This included positive results for the long-term unemployed, a group which are typically 'hard to help'.
- However the results differed across providers (full results are reproduced in Tables A10 and A11 in the Technical Annex):
    - Per Scholas produced very large impacts on employment and earnings
    - St. Nicks had little or no impact on employment or earnings
    - Towards Employment began to achieve positive employment and earnings outcomes during the latter period of the programme
    - Madison Strategies Group increased earnings (but not employment) in the latter part of the programme evaluation

Overall the WorkAdvance evaluation provides additional evidence that sector-focused progression programmes can be successful; although the results were not consistent across the providers. Potential explanations for these differences between providers include that the sector or sub-sector targeted might influence outcomes; that demand conditions were different or changed in the different sectors and/or places; and, that provider links to employers and overall effectiveness of delivery might drive differences. One thing the evaluation does strongly suggest is that to achieve results takes time and consistency of funding.

Chicago's Workforce Centers

One of the questions raised by previous studies, in particular the Maguire et al (2010) analysis and the WorkAdvance evaluation, is whether the potential for positive impact varies across sectors and if so which sectors a sector-focused approach might best suit? Schrock's (2013) evaluation of Chicago's sectoral workforce centers suggests the effects may be unequal. The evaluation is descriptive but provides evidence as to potential differences across sectors. Chicago developed two Sectoral Workforce Centers in 2006 (with funding totalling $1.6 million in that year). These were integrated with the wider Workforce Investment Act (WIA) infrastructure so that in theory they sit at the end of a pathway into employment. They were designed to have employers as their primary customer. The focus of the employer service was on "recruitment assistance, training resources, labor market information, and other 'value-added services'' (Schrock's 2013, p.4). Although the centres screened jobseekers on behalf of employers they did not work in-depth with jobseekers themselves. The aim was that the Centers would work with local employers who offered career opportunities to a 'self-sufficiency wage' or who would identify external career ladders to self-sufficiency. The two centres were:

ManufacturingWorks (MW) was developed to build on the City's restructured manufacturing sector strengths and an agenda around high-road manufacturing. MW offered a range of services including, consultancy/assessment, recruitment, lean manufacturing simulation training skill gap analysis, and a smaller number of firms took up offers for incumbent workforce training. In 2007, the centre made 456 job placements with an average hourly wage of $12.49. Efforts to link MW to wider local economic development were however considered less successful because of lack of capacity in MW and weak broader partnership working.

ServiceWorks (SW) served the retail and hospitality sectors. The main services provided to firms were consultancy/assessment, recruitment and job placement. SW activities were much more dominated by recruitment activities (with less demand for other business support services). 317 job placements were made in 2006. There was apparently little success in working with service sector employers to develop career ladders. The employers were mostly focused on bringing in low-skill workers to fill entry level positions and SW was just one of a number of organisations they could work through to do this.

Overall, the paper finds that:

- For both services there is relatively little to suggest that they could shift the balance of financing in part to the private sector by charging fees for their services.
- There were a number of tensions in the model. Serving the employers provided a clear incentive to 'cream' the best jobseekers (for example recently displaced but skilled workers) and promote these for opportunities.
- The overall summary regarding the extent to which workforce development systems can shape labour market dynamics, is that MW (though encouraging firms towards high road manufacturing) suggests ways in which it can. But there is a question about whether this can work in other sectors, with SW having little impact on labour market dynamics.

The final finding relating to sector differences does suggest that some sectors might be more fruitful targets than others. An additional question which might be raised is the question about whether and how such programmes might be 'scaled-up'.

Career Pathways

In addition to the evidence discussed on sector-focused programmes, there is also a developing evidence base around Career Pathway programmes which are orientated towards a range of sectors and which appear to offer some promise. The programmes are targeted at low-income groups who are unemployed or currently working in low-paid jobs. Career Pathway programmes have been developed in the US and have been subject to various forms of evaluation, including some robust studies (for an overview see Werner et al, 2013). Career Pathway programmes provide training which is in short industry specific module form (allowing participants to pursue modules directly connected to career goals); with the modules designed and developed to meet industry needs and to be associated with a 'clear career pathway' within a given occupation or industry; and with basic skills, English for Speakers of Other Languages (ESOL) and soft skills provision contextualised with content from the target industry (Werner et al, 2013; 2). Career Pathway programmes include a range of support and services including case management for individual participants, academic and vocational counselling, peer mentoring and other social support, and financial support (to enable training participation) (Ibid.). While the training is designed to be flexible enough to fit around the circumstances of participants. There are several Career Pathway programmes which provide positive results using robust methods (Department for Labor, undated). Smith and King (2011) provide estimates of return on investment for one such programme – Capital IDEA – which provided occupational skills and supportive services to low-income

residents in Travis County, Texas. The evaluation suggests relatively large wage benefits for individuals as well as a positive overall return of investment over 10 years of around $1.65 for every dollar of investment. Developments and learning in Career Pathways have been utilised to inform the two programmes focusing on the health sector which are being robustly evaluated – the Health Professions Opportunities Grant (HPOG) program and Pathways for Advancing Education and Careers (PACE). The US Department of Labor (2015) have developed a Career Pathways Toolkit which identifies 'six elements for success' – these are:

- build cross-agency partnerships and clarify roles;
- identify industry sectors and engage employers;
- design education and training programs;
- identify funding needs and sources;
- align policies and programs;
- measure system change and performance.

Summary of sector-focused programmes and progression

Overall there is some evidence, including robustly evaluated programmes, which suggest there are potential benefits to a sector-focused approach to retention and progression. This evidence has been built across a number of different projects in the US. The emphasis of the programmes is primarily on access to 'good jobs' which are more likely to support progression. This is clearly not easy to achieve as 'good jobs' tend to have higher barriers to entry.

The evidence on good sectors to target is more ambiguous and it is difficult to draw firm conclusions. What the evidence seems to point to is that the sector targeted, and within that the particular sub-sectors, is likely to have an impact on the chances of programme success, but that other things matter as well. This includes the quality of delivery by organisations providing services and the strength of their employer links. The evidence also suggests that success may take and an extended period of investment may be required to accurately assess the potential for impact.

In the following sections the focus shifts away from the potential benefits of sector-focused programmes more broadly, to consider the evidence for approaches to progression in each of our identified growth sectors. In each case some context of employment and skills in the individual sectors is provided, as well as the nature of potential development opportunities and constraints within these.

Financial and professional services

Introduction and context

The financial and professional services sector is a large and high value sector of the UK economy. The sector comprises a number of subsectors, including: financial service activities, insurance, legal and accounting services, and management consultancy activities. Within these subsectors there is significant employment at professional and managerial levels, although there is also a diversity of other functions such as customer service (including call centre) work which are less well paid (UKCES, 2012b).

Employment growth within financial and professional services is projected to be concentrated in the more highly skilled segments of the sector, while there is also growth projected at associate professional levels[14]. Positions in administrative and clerical occupations are projected to decline (although replacement demand needs will remain sizeable). Part of the explanation for declining jobs in these occupations is the offshoring and automation of customer service and back-office support roles (Stuart and Lucio, 2008). More broadly, technological change will continue to reshape job content across occupations within the sector (UKCES, 2014).

Employment in professional and business services is comparatively concentrated in larger firms (UKCES, 2012b). The sector as a whole has a significant training infrastructure and comparatively well-developed human resource management functions (UKCES, 2012b). There are however issues with access to some parts of the sector, with the barriers to entry to many parts of the sector being high and linked to degree-level qualifications. Apprenticeship routes into the sector have been growing slowly, but there appears scope to further develop these as well as other vocational qualifications as entry points to employment in the sector (PWC, 2010; UKCES, 2012b).

There is little evidence on programmes which have been developed to support progression of low-paid workers within financial and professional services, as the profile of many of the jobs and the barriers to entry have meant the sector has not typically been a target of employment policy. There have been some attempts to open out entry to the sector, for example through apprenticeships (HM Government 2013), but relatively little is known about the success of otherwise of these efforts. Another example of this type of activity is the City of London Business Traineeship

[14] See *Working Futures* projections for the UK -https://www.gov.uk/government/publications/uk-labour-market-projections-2014-to-2024

Scheme, a scheme delivered by a local charity and aiming to support disadvantaged local residents to secure jobs at city firms.

Evidence on initiatives

There is some robust evidence from a US programme called Year UP, a programme designed with the aim of supporting disadvantaged young people into high quality jobs. Year Up Boston targeted entry to technology and finance jobs[15], and the evaluation findings are reported by Rodder and Elliot (2011). The programme was designed to provide a year of training and work experience focused on the target sectors to young people in urban areas. The programme provided six months of technical skills training (with content designed to meet recruitment requirements of corporate partners); provision aimed at communication skills; a six month internship with 'top companies' in the sector; mentoring and other supportive guidance services; and, help with job search or college application. The funding for the programme was from a combination of foundations, corporations, and public funds. The delivery model is non-profit led but relies on partnerships with private companies who provide placement opportunities and links to employment. The evaluation utilises the over-subscription of the programme to create a small-scale RCT[16]. The evaluation data comes from administrative data and surveys of participants. The evaluation found that although the programme did not appear to influence employment rates of participants, it did have a positive effect on earnings (on average by $2.26 an hour [and with consequent increases in total quarterly earnings]). These wage differences were driven by those programme participants who had secured work in the target sectors (and the higher wages that went with this). This suggests potential benefits to a focus on a sector which can provide good jobs, but that the success depends on the ability of participants to access those good jobs on programme exit. Subsequent evaluation evidence, which extended the study of effects for a further two years, suggests that the positive effects on wages persisted (Rodder and Elliot, 2014)

The Year Up Boston financial services programme has also been subject to further descriptive and process analysis (Mt. Auburn Associates, 2014a). The approach is a 'dual customer' model orientated towards helping young people into work, but also helping employers to improve retention rates and diversify their workforces. The lessons reported in the evaluation report include the need to develop deep partnerships with employers under the programme to understand their career

[15] Digital jobs fall outside of the definition of financial and professional jobs but offer some similarities and so learning from these programmes might suggest some transferable lessons.
[16] Those on the waiting list were told they could reapply in ten months' time but should pursue other employment and education opportunities in the interim

pathways, and to work with HR departments to support retention and progression. Under this model employer links were supported by having a number of large financial organisations as partners, and these were represented on an Employer Champion Group, an advisory group supporting programme development and delivery.

Synthesis and conclusions

There is only very limited evidence of programmes which seek to encourage entry to jobs in financial and professional services and associated sectors which tend to offer comparatively high wages (and this is all US based). These have focused on employer engagement and work experience, technical and soft skills, and have been particularly orientated towards young people. They suggest that developing programme models which seek to encourage the entry of disadvantaged groups to better quality employment opportunities is one way which might help to utilise the anti-poverty potential of growth sectors. However where these have been developed they have required funding for relatively long-term programmes with significant education and work experience components and close links with sector employers to provide input and placements. Such practices are resource intensive. There is a lack of evidence on practice orientated towards those already in the labour market and the prospects for progression within or into the sector.

Overall, there are reasons to think that improving access to the financial and professional services sector for disadvantaged groups can have anti-poverty benefits. However generally the sector is one in which policy aimed at employment entry or progression into work has received little attention. The comparatively large size of firms within the sector, as well as the diverse nature of internal labour markets and employment functions within firms in the sector, suggests there may be avenues for future development.

Manufacturing

Introduction and context

Employment in the manufacturing sector has been declining for several decades in UK due to automation and production shifts to developing countries (BIS, 2010; Forfas 2013). However this decline is variable across manufacturing, and parts of the sector, particularly advanced manufacturing, remain a core focus of industrial strategy. The nature of business models in parts of the manufacturing sector has also been shifting, with a growing importance of what is termed ‘manu-services’ – where

firms seek to provide additional services which complement core production activities (Sissons, 2011). The manufacturing sector has a median wage above the national average, although there are subsectors where wages tend to be lower.

The manufacturing sector has traditionally operated as a large user of apprenticeship routes as ways to enter and progress within the sector, and there remain many high quality apprenticeships provided among manufacturing employers (UKCES, 2012c).

Evidence on initiatives

There is some evidence, including robust evaluation, of programmes which target progression activities in the manufacturing sector. The Wisconsin Regional Training Partnership, referred to previously, is one example which has been robustly evaluated (Maguire et al, 2010). The WRTP worked with leading manufacturing firms in the region to build support for strengthening training systems through assessing skills needs and developing training centres and curriculums for workers. The programme included close working between employers and unions, and collaborative efforts of employers and training providers, including sharing good practice (Buford and Dresser, 2014).The manufacturing strand of the WRTP however did not produce the same positive results as the other sector focused programmes, although it is not known whether this is due to a difference in the nature of the sectors themselves or the way the programme was implemented in the different sectors.

On the other hand, evidence from the sector-focused career centers, which was also set-out in some detail earlier in this report, suggests positive programme impacts within the manufacturing sector. Schrock's (2013) descriptive analysis (also detailed previously) of Chicago's Manufacturing Works programmes points to a similar conclusion.

Lowe et al (2011) provide further descriptive information from an assessment of the BioWork programme which ran in North Carolina. The programme consisted of a 128 hour certificated training course designed to support entry to posts in the pharmaceutical and bioprocessing production sectors. The evaluation does not provide a counterfactual from which to assess programme impact, but does examine the effect which greater or lesser employer engagement appears to make to outcomes (as different levels of engagement were observed at different sites). The evaluation finds a positive association between the strength of workforce intermediary activity and job offers for programme participants.

Synthesis and conclusions

Overall, the evidence on developing progression policy within the manufacturing sector is relatively weak. However, apprenticeships continue to offer effective routes into the sector and are the most obvious policy focus. The size of the sector is declining, although replacement demand needs are significant and in parts of the sector there are concerns about skills shortages.

Energy and environment

Introduction and context

Energy and environment is a relatively diverse sector which in cuts across other sectors of employment, including construction and manufacturing. The overall job creation potential of so called 'green jobs' remains unclear, and has been the subject of considerable debate (see Deschenes, 2013; CEDEFOP, 2013; Blyth et al, 2014). However, the move to a low carbon economy is expected to generate new skills needs which span a number of sectors (OECD, 2010; Jagger et al, 2012).

Evidence on initiatives

No robust studies evaluating programmes aimed at progression in the energy and environment sector were found. Scully-Russ (2013) provides some descriptive findings of the potential of 'green jobs' to improve social outcomes. The paper addresses what is described as the 'dual promise' of green jobs, which refers to their hypothesised ability to support a low carbon transition and potential to address labour market disadvantage. The paper charts the large US government investment in 'green growth' presenting a qualitative study of two Energy Training Partnerships (one in New England and one in the Pacific Northwest). These were funded by the Department of Labor to train workers for green jobs. The Energy Training Partnerships funded workforce development activities with a dual-customer focus (i.e. being orientated to the needs of both employers and employees). The funding developed new programmes to train workers for a 'career path in green industries'. Drawing on the experiences of the programme, the paper identifies a number of challenges associated with developing opportunities for entry, retention and progression in green jobs. The jobs in the sector are dispersed and there is a predominance of small firms. This means employer engagement activities are very resource intensive and internal labour markets tend to be small. In addition, many 'green jobs emerge from within existing occupations that take on speciality tasks related to green activities and these tasks are difficult to codify for training purposes' (US Department for Labor, Employment and Training Administration, 2009 cited in

Scully-Russ, 2013; 263). This difficulty in codification makes it difficult to design appropriate training packages. Challenges identified at both sites included difficulties with finding expertise to deliver training; the issues of synchronising training with demand growth (often in relatively specialised positions); the technical level of the training being unsuitable for low-skilled workers who might need additional basic skills support as a pre-requirement; and, in one site there was also a difficulty in finding jobs in which to place those who had been trained. The research suggests that green jobs often do not tend to have particularly low barriers to entry and therefore can be difficult for those in poverty to access. The author also cites the seasonal nature of some green jobs (in particular those which do have lower barriers to entry) as calling into question the extent to which all green jobs are good jobs.

A second example, also from the US, is the Emerald Cities Collaborative (ECC) a workforce intermediary designed to support linking disadvantaged groups to careers in the green building sector (Fairchild, 2014). The programme engages employers in the green construction, infrastructure and energy sectors which are targeted areas of growth. There is a diversity of jobs in the sector including energy auditors, solar panel installers, weatherisation technicians, plumbers, insulators, glazers, electricians, and labourers. The ECC is a partnership structure which includes the employers working in green industries, unions, community organisations, and research and technical assistance providers. The programme created apprenticeship routes through building and construction trade unions which were designed to connect participants to high quality training opportunities and to support entrance into long-term career opportunities. The ECC provides a range of programme support including funding, project management, training and certification, infrastructure development assistance and a local hire planning service. However there is little evidence as to what the impact of these activities has been.

Synthesis and conclusions

Overall, the evidence on the potential for green jobs to provide good opportunities for progression is scant. Wider evidence questions how large the aggregate employment potential of green jobs is likely to be. It may be that within the sector, opportunities exist for developing approaches to progression, but these are concentrated at sub-sector level or in specific types of activities.

Construction

Introduction and context

The construction sector is characterised by a relatively fragmented employment structure and high levels of self-employment (BIS, 2013). Employment in the sector is highly cyclical and construction suffered a significant fall during the recession, with around an 8 per cent decline in 2008/9 (UKCES, 2012d). The sector is however expected to grow in coming years as house builders respond to demand from the private sector and in response to a number of large infrastructure projects (UKCES, 2014d). Drivers of change in the construction sector include the influences of new technologies, the drive for more 'green' construction and the growth offsite construction (Vokes and Brennan, 2013). Apprenticeships continue to provide an important route into employment in the sector.

Evidence on initiatives

While a couple of programmes can be identified which have some focus on progression the construction sector there is little evidence of the impact. The exception is the work of the Wisconsin Regional Training Partnership (WRTP), discussed previously, which is an example of sector based programme in construction which has been robustly evaluated and which has been found to have positive effects (Maguire et al, 2010).

There are other examples in the US of programmes with some focus on progression operating in the construction sector. The Employment and Training Administration (ETA, 2004) identified construction as a high growth high demand industry. ETA was developed as 'a partnership between the publicly funded workforce investment system, business and industry representatives and education and training providers such as community colleges' (ETA, 2004, p.8). The aim of the programme was to enable disadvantaged individuals to gain employment with opportunities for career development in the construction sector. This included targeting recruitment at non-traditional labour pools, developing additional pathways for underrepresented groups to pursue management training and creating vocational skills pathways more broadly. However there is not sufficient evidence to judge the success of the programme.

The structure of progression pathways within firms and within the sector is also an area of interest. Costain, the international engineering and construction group, have developed a series of initiatives within the firm which have emphasised skills development and career progression, this includes identifying future leaders, providing access to accredited training, and developing a performance and talent

management cycle which seeks to identify potential for progression for all staff members (UKCES, 2012d). The impact of such approaches for low-paid workers is though unclear.

Synthesis and conclusions

There is relatively little evidence on progression in the construction sector. The sector is characterised by comparatively high rates of self-employment which creates a different set of issues around employment sustainability. Apprenticeships continue to provide a key route into the sector. Little is known about the dynamics of progression in the sector.

Social care

Introduction and context

The social care sector encompasses employment in residential nursing care, residential care facilities for the elderly, children and those with disabilities, child day care and non-residential social care. The focus in this research is primarily on the adult social care part of the sector. Employment growth in social care is projected to be significant in the coming years.

The social care sector is characterised by comparatively low-wages; estimates suggest that two-thirds of frontline care workers are paid below the level of the voluntary Living Wage (Gardiner and Hussein, 2015). The employment structure of the sector is dominated by small firms. In England, 85 per cent of social care enterprises have fewer than 50 staff, and 45 per cent have fewer than 10 staff (Skills for Care, 2015). The majority of jobs (57 per cent) are in the private sector, around half of employees are on a full-time contract and around one-quarter have a zero hours contract (Ibid.). The sector has high labour turnover and a long-term reliance on migrant workers (Skills for Care, 2015).

Important drivers of employment change in the sector include demographic trends, technology, regulation and funding (UKCES, 2012e). Technological changes include the increasing use of assistive living technology (ALT) and the delivery of support through new service channels (such as telecare) (Eurofound, 2013). There is also an agenda to pursue greater integration between health and social care which may lead to some care jobs becoming more complex (NAO, 2014); this may also open-up opportunities for more extended career pathways.

The social care sector generally is found to have relatively weak HR and management practices which inhibit workforce development and individual prospects

for progression (Philpott, 2014)[17]. In particular, the HRM approaches taken in the adult social care sector have been found to do little to support practices of flexible working or to develop internal labour market opportunities (Atkinson et al, 2013).

Case study research focusing on the impact of previous regulation in the sector concludes that the Care Standards Act had an important role in increasing training within the social care sector, but had much less impact on generating 'complementary HR practices' or management practices required for high-performance working (Gospel and Lewis, 2011). Furthermore, the career structure of many residential care homes (particularly smaller ones) meant that for individuals better qualifications often did not led to career progression. As Gospel and Lewis (2011, p.618) surmise: "many employers in social care lack the organisational infrastructure of job roles, ladders, and career paths required for newly trained care workers to satisfy the hopes of career advancement and higher pay engendered by training".

The most significant challenge faced by the sector currently is meeting increasing demand during a period of constrained financial resources (UKCES, 2012e). Local authority spending on care has been falling in real terms in recent years (NAO, 2014). Research in Scotland has demonstrated how pressures on public spending and changes in contracting processes[18] are placing downward pressure on wages and eroding pay and conditions for workers in the social care sector (Cunningham and James, 2014). In England there is also some evidence of providers having difficulties in investing in staff training, as well as wider concerns about the ability of some providers to survive (NAO, 2014).

Research therefore points to elements of poor job quality, insecurity and lack of staff representation (Rubery and Urwin, 2011). While the context of wide-spread low-pay and reducing resources has lead commentators to suggest that any meaningful attempts to tackle the poor pay conditions of the sector are likely to require some reassessment of funding levels and contracting models (Philpott, 2014).

Evidence on initiatives

While social care (and it's linkages to the health sector) has been the site of a number of programmes aimed at improving progression, the associated evidence base is limited, with a lack of robust studies. The evidence that does exist is also entirely from the US. There is however some robust evidence being developed

[17] Although a small-scale study of care worker attitudes suggests that in many cases workers were relatively satisfied with HR practices which operated (Atkinson and Lucas, 2013)
[18] With the now dominant model of arms-length relationships which prioritise cost

through the Health Professions Opportunities Grant (HPOG) program (highlighted in a separate case study), which draws on the evidence base for Career Pathways models discussed earlier.

Morgan and Konrad (2008) report on the results of a mixed-method evaluation of the WIN A STEP UP initiative. The rationale for the programme, which was targeted at Nursing Assistants (NAs) in nursing homes, was to tackle the poor quality of jobs in the sector to help address a shortage of workers and to improve the quality of care. WIN A STEP UP was a workforce development intervention aimed at improving the work of NAs in nursing homes in North Carolina. The programme involved a 33-hour curriculum which include a range of clinical and interpersonal topics. Employers committed to providing staff time for training and to distribute a retention bonus of $75 (which was funded by the programme). The overall evidence for the impact on wage progression, job satisfaction and quality of care outcomes was relatively mixed, drawing into question whether the training and associated modest improvement in job quality was sufficient to improve outcomes for either employers (though reduced retention) or employees.

Washko et al (2007) provide qualitative findings from the Extended Care Career Ladder Initiative (ECCLI). ECCLI was introduced in 2000 as part of the Massachusetts Nursing Home Quality Initiative which was established in an attempt to improve the quality of care in nursing homes. The funding was allocated on a competitive basis to support nursing homes and home health agencies to develop career ladder and other types of training initiatives for frontline workers. Career ladders were created for Certified Nursing Assistants (CNAs) and Home Health Aides (HHAs). Some organisations also created career ladders which offered progression routes for staff in entry level posts such as catering and housekeeping. The training interventions were focused on soft skills as well as occupational skills. Some employers also developed a 'bridge to nursing' element to help participants enter nursing employment. Most of the training was delivered by providers such as community colleges. The initiative also developed a strand of supervisor training to support the incorporation of 'new CNA/HHA skills into work practices'. The evaluation of the programme found improvements in a range of metrics of communication, clinical skills and self-confidence. The completion of steps on the career ladder were linked to 'modest hourly wage increases'. However, the low level of increments led to criticism from some participants who felt they were not adequately reward the additional work and responsibility. There was some reporting of improved retention at

some sites but this was not universal. Strong quality of care outcomes were observed, but relating these causally to the programme is clearly difficult.

Based on site visits and programme management information (MI) which provides some descriptive statistics, Morgan et al (2012) assessed the Jobs to Careers Program. This programme targeted employees in the health and social care sectors, and focused on frontline employees. The programme was part-funded by the Department of Labor and part-funded by two philanthropic foundations. The programme involved developing local partnership structures including health care employers, educational institutions and community support organisations. Evidence from the evaluation describes how businesses felt their employees were more productive after the programme and some reported they feel it had given them reputational value and reduced turnover (although none of this is measured quantitatively).

Kaiser and Winges (2006) report on evaluation findings from the 'low-wage worker retention and advancement demonstration project'. The evaluation does not present robust findings but work with the providers demonstrated that employers who engaged tended to have staff retention problems, and this was the driver of participation.

Other examples have demonstrated the possibilities of employers developing career ladder/pathways for low income groups in the broader healthcare sector (Krismer 2014; Mt Auburn Associates, 2014b).

Synthesis and conclusions

There have been a number of programmes developed (primarily in the US) which have aimed to increase retention and/or promote progression in the social care (and aligned healthcare) sector. However, the evaluation base is not strong. The social care sector is a large low-paid sector which provides significant opportunities for employment entry. But the sector suffers from low-wages (although the National Living Wage will help) and often weak prospects for progression. The size of the sector, and potential links to wider healthcare, have led to the sector being of particular interest for retention and progression programmes. However, financial constraints and established management and HR practices also create significant challenges.

Hospitality

Introduction and context

The hospitality sector covers a relatively broad range of occupations including those in the visitor experience and tourism, and hotels, pubs and restaurants. The sector is typified by comparative low-pay and seasonality (especially in coastal areas) can affect continuity of employment in parts of the sector. The sector generally experiences high rates of turnover and has retention issues; there is a high reliance on students and temporary workers (Marchante et al, 2006; People 1st, 2013). Related to high labour turnover, the sector tends to experience a number of skills gaps (McQuaid et al, 2012). The sector has seen the growth of outsourcing of parts of business delivery such as housekeeping and cleaning (and including HRM) (Davidson et al, 2010). A plurality of business models can be observed across the hospitality sector, including 'owner-operated properties, management contracts (or agreements), franchising, voluntary chains (or consortia), joint ventures, branded reservation services and combinations of two or more of these' (Boella and Goss-Turner, 2015; 3).

The workforce in the sector is characterised by relatively low levels of qualifications (UKCES, 2012f). The age profile of employees in the sector is relatively young and there is a comparatively large use of students and migrant workers. Training provision in the sector tends to be job specific with less activity developing broader transferable skills (Marchante et al, 2006). Formal qualifications play less of a role in recruitment process or decisions than in many other sectors, with more emphasis placed on personality or attitudes of staff (Baum, 2002; Marchante et al, 2006; Nickson et al, 2012). This means that the formal barriers to entry are low (Lashley, 2009), however the subjective assessment of 'soft skills' can disadvantage some groups (Warhurst et al, 2015).

The comparatively poor opportunities for progression for workers within hospitality have been identified as an important problem in the sector (UKCES, 2012f). Compared to other sectors there is a perceived lack of professional standing in hospitality, and it has been argued that there is a culture of training avoidance by many firms (Lashley et al, 2009).

Progression opportunities tend to be constrained in many parts of the sector and the financial benefits to progression may also be limited. Tourism is increasing characterised by delayering and short hierarchies (Baum, 2015), while research focusing in the café sector has found that within management positions job quality

can often be assessed as comparatively poor on indicators such as pay, work content and autonomy (Lloyd and Payne, 2014).

Increasing use of technology is beginning to penetrate the sector in a number of ways which has implications for the use of employee skills. There is increasing use of online methods of training; development of new platforms for customer relationship management; and the introduction of new front of house technologies (UKCES, 2012f). Within tourism online and mobile booking, customer interaction and social networking have grown in prominence (Ibid.). Customer demands for higher standards of customer service have grown over time creating needs for stronger interpersonal skills among employees (Baum, 2002).

Evidence on initiatives

There were no robust evaluations of programmes aimed at progression in the hospitality sector found in the evidence search.

The evaluation the Skillworks Hotel Career Center provides some descriptive statistics and qualitative insights (Abt Associates, 2009). The hotel sector in the US has a large proportion of low-paid migrant workers. The aim of the initiative was to help 'immigrants move towards economic self-sufficiency' (Page 1). The intervention was formed through a partnership between the International Institute of Boston (IIB), the Hilton Hotel Corporation, and the Massachusetts Lodging Association (MLA). There were two strands of delivery – one focused on employment entry and the other on incumbent workers. Fifty-six employers were engaged and offered varying degrees of support (across the two strands). The incumbent workers strand provided job-specific language and IT skills as well as career coaching. A central aim of the programme was trying to encourage systemic changes in hotel employers' practices to recruitment and progression. The evaluation presents some evidence from qualitative findings which suggest some changes in employer practices – including to in work benefits such as expanding tuition reimbursement; new practices to develop skills such job rotation; and developing HR staff support for increasing awareness of courses supporting language and financial management. Subsequent descriptive evaluation of the initiative however suggests difficulties in securing significant career advancement (Mt Auburn Associates, 2014). Career structures in the sector are relatively flat, and while there appears to have been some wage increases for participants, the number of participants receiving promotions was very low.

There are examples of firms in the UK adopting practices aimed at progression although again the impact is unclear. The Spirit Company, a hospitality group which manages 800 pubs and has around 16,000 staff, have sought to develop clearer internal progression routes (Devins et al, 2014). The routes run from entry level to managerial level with embedded qualifications and development milestones.

Synthesis and conclusions

The overall context for supporting greater progression in the hospitality sector is challenging. There appears some scope for developing clearer progression routes and for better developing the HR practices to support progression. Some of these issues were the focus of one strand of the UK Futures Programme. However the pressure on wages and fragmented nature of employment in some parts of the sector is clearly less conducive to progression. There is little by way of an evidence base to support development of initiatives in this area.

Conclusion and Recommendations

Studies show that a sizeable proportion of low-paid workers experience limited pay progression, even over extended periods of time. However progression has not typically been a focus for employment policy, which has been orientated almost exclusively towards job entry. The result of the predominant focus on employment entry is that very little robust evidence exists relating to what might work to improve progression for workers. In the main the evidence that does exists comes from the study of US programmes.

Policy is starting to shift in the UK, and recent policy changes suggest some greater role for a focus on progression. The introduction of Universal Credit introduces a progression dimension, while a number of City Deals also include elements of progression. Drawing on the evidence which is available, a number of observations can be made to support development and refining of practice and policy targeted at progression. These relate to the potential of sector-focused policy, the nature of prospects in different economic sectors and the role of employer engagement.

The evidence base on progression

Given the predominant policy focus in the UK on employment entry it is unsurprising that the evidence base on progression is weak. However there is some robust evidence relating to 'retention' (which may be considered an essential precursor to progression) from the Employment, Retention and Advancement (ERA) pilot. ERA targeted two groups – lone parents and the long-term unemployed and provided a range of support. The extensive evaluation of the programme found positive outcomes during the programme period, but mixed results over the longer-term (Hendra et al, 2011). ERA suggests that some combination of services and financial incentives can generate positive impacts, but the precise nature of services which make a difference were not evidenced (Ray et al, 2014). Future learning from the Universal Credit Trials[19] may shed further light on this in relation to progression.

For this paper a detailed search of the available evidence on in-work progression in growth sectors has been conducted. A matrix of key search terms was applied across a range of databases as well as specific repositories searched. Articles of core relevance were assessed and evaluated; and evidence of wider contextual relevance has also been considered.

[19] See https://www.gov.uk/government/publications/developing-in-work-support-for-people-claiming-universal-credit/universal-credit-in-work-progression-randomised-control-trial

There is a modest amount of evidence from across growth sectors that is 'plausible', it makes sense theoretically but empirical data is weak (Corbett and Weber, 2001). There is also some evidence which is 'promising' – programmes evaluated but not robustly assessed. There is relatively little evidence that might be classified as 'proven', in that it has been robustly assessed.

There is some evidence on progression from a number of US programmes. These tend to focus on progression as part of a pathway (i.e. moving into a job and then progressing); a number of these programmes are open to workers moving from existing jobs as well as the unemployed. There is however scant evidence on what works in engaging those already in employment and who would like to progress.

The potential of sector-focused programmes

A central focus of this paper has been on progression as it relates to growth sectors. This raises an important question regarding whether there is an advantage to targeting programmes on a sector basis (as opposed to being sector neutral). There are theoretical arguments which suggest a potential benefit to sector targeting. These include the sector providing a focal point for coordination of employment and skills activities; and the sector focus being a facilitator to developing partnerships, knowledge and capacity between providers and employers to identify areas of mutual benefit, and to effectively tailor provision. A sector-focused approach may also be integrated with place-based approaches, including to economic development.

There is some empirical evidence which suggests the potential benefits of a sector focus. A review of three sector-focused interventions in the US which were robustly evaluated found a significant average earnings effect across the programmes. Following on from this, evidence from the evaluation of sector-focused career centers in New York also suggests a benefit deriving from being sector-focused. The WorkAdvance model which has been described in this paper is also sector-focused and has generated some encouraging results. This evidence does suggest that there may be potential benefits to a sector-focus. However the evidence is not comprehensive enough to draw firm conclusions about the relative merits of focusing on different types of sector, or about the precise elements of a sector-focus that generate the apparently positive results. In particular, there is a gap in understanding of whether success or failure of providers within the same programmes was the result of the sector targeted, the delivery model or the providers' capabilities. Some evidence also points to the potential benefits of aligning programmes to sub-sectors or to particular groups of occupations within sectors.

The prospects and limitations for targeting different growth sectors

As there is relatively little evidence to guide where (in terms of which sector/s) it might be most beneficial to target for initiatives aimed at progression, assessing the potential of different sectors will necessarily rely heavily on observational findings relating to the nature of labour markets within them.

The evidence base demonstrates that where initiatives aimed at improving outcomes for disadvantaged workers have been developed, a number of drivers of sector focus can be identified. These suggest that sectors targeted should offer comparably good quality (as measured by wages) entry level positions, opportunities for worker career development, as well as have an economic rationale for selection (for example the sector is growing or is a particular focus of regional/local economic development strategy). The factors of wages and career development opportunities will in part relate to employer business models.

The sector-focused model has generally adopted a dual-customer approach. This involves identifying: 1) an employer need or driver of engagement; and, 2) a participant benefit. The prospects of both these dimensions will vary across sector, as well as across firms within sectors and across local labour markets.

There is insufficient empirical evidence to identify the best sectors to target for progression initiatives, however drawing on the evidence from across the growth sectors examined the following factors can be highlighted:

- Social care – the sector is typified by relatively low barriers to entry and high employee turnover. Pay in the sector is low, although some care employers do pay the (voluntary) Living Wage there are financial pressures within providers. There are some programme models on which to draw which demonstrate ways of linking training provision to career development and progression developed in the US. The explicit linking of training with incremental career steps (and financial rewards) is likely to be important as previous policies aimed at skills supply and regulation do not appear to have translated to higher pay. An important issue however is that the financial benefits associated with progression may not be very large and would only encourage an exit from poverty in marginal cases. The introduction of the National Living Wage is likely to compress differences between pay levels in the hierarchy further. The financial context is also placing considerable pressure on employers in the sector. Overall, there appears some scope to work with employers in the sector to support the development of structured career progression programmes for those entering the sector. However for wider-scale progression, given the greater integration between health and social care which is

developing, it may be that supporting routeways between the social care and health sectors offers the best prospects.

- Hospitality – the sector is typified by low-pay and stability of work is an issue in parts of sector which are seasonal. Issues of broader job quality and work fragmentation are therefore important. Evidence suggests that progression opportunities in the sector are limited, and that the financial benefits associated with progression in parts of sector are low. There is some evidence on the role that changes in employer practices can play supporting career development. Skills which are transferable from the sector may support mobility to other closely aligned sectors.
- Finance and professional services – generally has high barriers to entry, although there is a diversity of occupations within the sector. Where there has been a focus on the role the sector might play in alleviating labour market disadvantage this has been largely orientated towards opening-up entry to jobs, particularly for young people (in some cases through apprenticeships). There is little evidence regarding how successful these have been. Many large employers in the sector have diverse occupational labour markets and hierarchical internal labour markets which suggests some potential for routes out of low-pay; although often the skills and qualifications gaps between different types of occupations can be quite large.
- Energy and environment – this is a diverse sector which cuts across other sectors. There has been some enthusiasm about the role that green jobs growth might play in tackling disadvantage; however the actual scale of job creation potential is difficult to establish. There are some opportunities within construction for entry to green jobs.
- Construction – the sector is characterised by comparatively high rates of self-employment. Apprenticeships provide an established route into the sector. While there is evidence on the use of local hire agreements and similar arrangements to support job entry less is known about progression in the sector. There is little robust evidence on ways to develop approaches to progression.
- Manufacturing – overall jobs continue to decline in the manufacturing sector. However parts of the sector continue to fair better than others and replacement demand needs are high in many parts of the sector. The evidence on the potential benefits of programmes which focus on progression in the manufacturing sector is somewhat inconsistent (and it is also limited). Apprenticeships remain an important entry route to the sector which can offer opportunities for progression.

Overall then there is not a clear and consistent picture of the benefits of targeting policy at particular sectors, although there is evidence more generally that there may be benefits to a

sector-focus. This does not lend itself to easy policy recommendations and the context surrounding different sectors will also change over time. Some of the core lessons that follow from the evidence base about partnership working, understanding sector needs and aligning training effectively, are applicable across sectors.

The constrained ability of workers to progress within internal labour markets and the limited financial benefits to progression in some sectors also suggests an important role for mobility between sectors. While this issue hasn't been covered in detail in this report, it is likely that access to careers advice for those in employment can play a role in supporting better outcomes (Green et al, 2015).

The role of employer engagement in progression initiatives

Where programme development around progression is focused on opportunities for workers advancing in internal labour markets this is dependent on effective employer engagement practice and securing employer 'buy in'. The dominant drivers of employer engagement will vary somewhat across sectors and firms. They can relate to a specific business imperative including recruitment needs, replacement demand needs or skills shortages; or to social and CSR concerns.

Several tensions can be identified around employer engagement and employment programmes. Where a dual-customer model (i.e., one serving both employers and disadvantaged workers) is being developed, one of the central tenets of this approach is that a high-quality recruitment and training service is provided to employers. This can include quite rigorous screening of participants. However this may create extra exclusionary pressures on some jobseekers who do not meet such standards (as has been noted before in relation to other models of employer engagement [Fletcher, 2004]). A second potential tension relates to the provision of in-work support to those seeking to progress. Where internal opportunities for progression are limited, this suggests the need to examine possibilities of mobility through external labour markets. Under these circumstances there may be some employer reticence around in-work support.

Findings for progression initiative design

This paper has presented the results of a comprehensive review of the evidence on progression initiatives in growth sectors. While the evidence base is relatively limited, a number of findings can be highlighted which may help inform policy and practice development in this area:

- There appears to be a growing policy interest in engaging with issues of progression in work in the UK. This can be seen in some elements of national as well as more local policy.
- There is evidence that initiatives can be designed to support progression – some robust evidence has been generated in the US, however there is little evidence in the UK. The evidence base is largely from localised targeted initiatives.
- The US evidence points to a benefit of sector-focused initiatives in generating positive outcomes. There are also some good theoretical reasons why a sector focus might be beneficial.
- However there is not sufficient evidence to identify which sectors, or sub-sectors, might be the most beneficial to target. This will be in part dependent on local circumstances. In some sectors, such as hospitality, the context to supporting progression is more challenging.
- The evidence suggests that while a sector-focus might be helpful, other factors including the quality of delivery are also important.
- Initiatives may take time to deliver results. In particular employer engagement activities require both time and resources to develop.
- There is less evidence of how those in employment who would like to progress might be reached, although a number of US programmes target those in work as well as those not in work. Support from Information, Advice and Guidance services and as well as access to training provision are likely to be important elements of supporting progression of those in work (Green et al, 2015). These might form part of a wider systems approach to improving progression outcomes.

These findings lead to several policy and practice recommendations:

- The increasing interest in developing policy and practice to support progression outcomes is not matched by a rich evidence base. To develop a more robust evidence base there is a need for experimentation and trialling different types of activities aimed at progression. The introduction of Universal Credit offers an opportunity to do this. There is also scope to develop local trials and to include progression aims and pilot activities into devolution settlements with cities and local areas.
- Sector-focused initiatives appear a good place to start, although they are not the only approach. Experimentation which includes testing across different sectors and sub-sectors would be valuable in building the evidence base for what works.

- At a local level, opportunities to integrate economic development strategy and social development, including progression, are likely to be valuable in securing employer buy-in. Good labour market information and intelligence is also needed to support initiative design.
- It is important to recognise that results of initiatives aimed at progression can take time. In part this reflects a natural lag between initiative inputs and progression outcome, but also, when initiatives work directly with employers, the required time investment in employer engagement activities.
- Finally, it is worth emphasising that increasing progression is only one element of job quality and other aspects remain important at entry-level upwards. .

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Appendix 1: Evidence Search Details

Table A1: Matrix of search terms for academic literature – abstract search

Employ* OR Work
AND
Poverty OR “low pay” OR “low-pay” OR “Low paid” or “Low-paid” OR “Low wage” OR “low-wage” OR “Low income” OR “Low-income” “Low earners” OR “Low-earners” OR “Low earning” OR “Low-earning” OR Benefits OR Welfare OR Unemploy*
AND
Entry OR Training OR Skills OR Recruit OR Retain OR Retention OR Progress* OR Advance* OR Apprentice* OR Promotion OR “Career ladder” OR “Internal labour market” OR “External labour market” OR “Job quality” OR “Work quality” OR Wages OR Pay OR “Job satisfaction” OR “Good job” OR “Bad job”
AND
“Financial services” OR “Professional services” OR “Call centres” OR “Business services” OR Insurance OR Manufacturing OR Environment OR “Low Carbon” OR “Green jobs” OR Construction OR “Social care” OR “Residential care” OR “Domiciliary care” OR Hospitality OR Hotel OR Restaurant OR Tourism

Table A2: Matrix of search terms for grey literature

Low pay	Skills	Financial services	Evaluation
Low pay	Skills	Professional services	Evaluation
Low pay	Skills	Call centres	Evaluation
Low pay	Skills	Business services	Evaluation
Low pay	Skills	Manufacturing	Evaluation
Low pay	Skills	Environment	Evaluation
Low pay	Skills	Low carbon	Evaluation
Low pay	Skills	Green jobs	Evaluation
Low pay	Skills	Construction	Evaluation
Low pay	Skills	Social care	Evaluation
Low pay	Skills	Residential care	Evaluation
Low pay	Skills	Domiciliary care	Evaluation
Low pay	Skills	Hospitality	Evaluation
Low pay	Skills	Hotels	Evaluation
Low pay	Skills	Restaurant	Evaluation
Low pay	Skills	Tourism	Evaluation
Low pay	Retention		Evaluation
Low pay	Progression		Evaluation
Low pay	Advancement		Evaluation
Low pay	Job quality		Evaluation
Unemployed	Retention		Evaluation
Unemployed	Progression		Evaluation
Unemployed	Advancement		Evaluation
Unemployed	Job quality		Evaluation
Unemployed	Skills	Financial services	Evaluation
Unemployed	Skills	Professional services	Evaluation
Unemployed	Skills	Call centres	Evaluation
Unemployed	Skills	Business services	Evaluation
Unemployed	Skills	Manufacturing	Evaluation
Unemployed	Skills	Environment	Evaluation
Unemployed	Skills	Low carbon	Evaluation
Unemployed	Skills	Green jobs	Evaluation
Unemployed	Skills	Construction	Evaluation
Unemployed	Skills	Social care	Evaluation
Unemployed	Skills	Residential care	Evaluation
Unemployed	Skills	Domiciliary care	Evaluation
Unemployed	Skills	Hospitality	Evaluation
Unemployed	Skills	Hotels	Evaluation
Unemployed	Skills	Restaurant	Evaluation
Unemployed	Skills	Tourism	Evaluation

Note: For each of these combinations the first 20 pages of results from Google were screened; and for Google Scholar the first 10 pages were screened

Table A3: List of repositories searched

Brookings Institute
Brotherhood of St Laurence
Canadian Council on Social Development
CEDEFOP
Centre for Cities
Centre for Local Economic Strategies (CLES)
Centre for Poverty Research (University of Kentucky)
Centre for Study of Urban Policy (University of California)
CESI – Inclusion
Demos
Economic Policy Institute
Eurofound
European Trade Union Institute
ILO
Institute for Research on Poverty (University of Wisconsin-Madison)
ippr
Joseph Rowntree Foundation
LARIA
Local Government Association
Local Government Information Unit (LGiU)
Melbourne Institute of Applied Economic and Social Research
National Institute of Economic and Social Research (NIESR)
National Poverty Center (University of Michigan)
NESTA
New Economics Foundation (NEF)
Policy Exchange
Policy Studies Institute (PSI)
RAND
Rocket Science
Russell Sage Foundation
Smith Institute
Social Market Foundation (SMF)
The Work Foundation
Townsend Centre for International Poverty Research
Upjohn Institute
Young Foundation
UK Government
Cities Policy Unit
Department for Work and Pensions
Department for Business, Innovation and Skills
Department for Communities and Local Government

Table A4: The Maryland Scale of Scientific Methods

Maryland Scale: Level and Description
1 Observed correlation between an intervention and outcomes at a single point in time. A study that only measured the impact of the service using a questionnaire at the end of the intervention would fall into this level.
2 Temporal sequence between the intervention and the outcome clearly observed; or the presence of a comparison group that cannot be demonstrated to be comparable. A study that measured the outcomes of people who used a service before it was set up and after it finished would fit into this level.
3 A comparison between two or more comparable units of analysis, one with and one without the intervention. A matched-area design using two locations would fit into this category if the individuals in the research and the areas themselves were comparable.
4 Studies providing comparison between multiple units with and without the intervention, controlling for other factors or using comparison units that evidence only minor differences.
5 Experimental studies including random assignment and analysis of comparable units to intervention and control groups. A well conducted randomised controlled trial (RCT) fits into this category.

Source: Adapted from Sherman et al, 1998; Green et al, 2015

The Public Policy Institute for Wales

The Public Policy Institute for Wales improves policy making and delivery by commissioning and promoting the use of independent expert analysis and advice. The Institute is independent of government but works closely with policy makers to help develop fresh thinking about how to address strategic challenges and complex policy issues. It:

- Works directly with Welsh Ministers to identify the evidence they need;
- Signposts relevant research and commissions policy experts to provide additional analysis and advice where there are evidence gaps;
- Provides a strong link between What Works Centres and policy makers in Wales; and
- Leads a programme of research on What Works in Tackling Poverty.

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Author Details

Dr Paul Sissons is a Senior Research Fellow in the Centre for Business in Society at Coventry University

Professor Anne Green is Professional Fellow at the Institute for Employment Research at the University of Warwick

Dr Neil Lee is Lecturer in Economic Geography in the Department of Geography and Environment at the London School of Economics and Political Science