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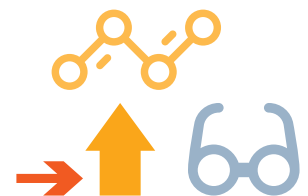
The Employment Studies newsletter reports on IES research on labour market and employment policy and practice in the UK and abroad. It is aimed at those interested in research to inform the development and implementation of public policy. Two other publications, *Network News* and *HR Insight*, provide briefings on IES employer-related work.



The challenges of an ageing workforce

Jamie Cotton, IES Research Associate

Last year’s IES Fellows Reception saw Lord Willetts, executive chair of the Resolution Foundation, discuss both the threats and the opportunities confronting younger generations as a result of the ageing population. The statistics were startling: a third of people born today will live to 100; younger people were disproportionately affected by the financial crisis, while older generations came through relatively unscathed; welfare policy is shifting money to older people; and saving for a house deposit now takes 22 years, up from just three years in the mid-90s.



However, the challenges posed by the ageing population are not exclusively borne by the younger generation. Longer life expectancy necessitates longer working lives in order for individuals to be able to afford retirement, but healthy life expectancy is not rising at the same rate. Social care costs are rising while funding continues to fall. Informal care is on the rise for the over-50s – and with it, an ever-increasing number of ‘sandwich carers’ caring for both their children and their parents.

This is all creating significant problems for the government. The old-age dependency ratio – the ratio of workers to retired people – is expected to rise

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from 27.6 per cent in 2015 to 35 per cent in 2030¹. This will put pressure on the already-stretched Government budget, with lower tax receipts needing to pay for more pensions and the 'triple lock' commitment of a minimum 2.5 per cent rise in the state pension every year to 2020. Political pressure post-Brexit makes it difficult to continue to use immigration to stem the ratio's rise.

Nurses and social care

Some industries and organisations are particularly affected by the ageing population. In December 2016, IES published research on how Brexit is likely to exacerbate nurse shortages². This paper highlighted how the ageing population is increasing demand for services, with some Trusts expected to see the number of people aged 85 and over in their area increase by over 50 per cent. In addition, the NHS nursing workforce itself is getting older³. With 46 per cent of NHS staff now aged over 45, a significant number of nurses will be looking to retire in the short and medium term. Without a pipeline of workers from Europe to take up the shortfall, and coupled with an expected reduction in the number of nursing students following the abolition of their bursaries, some Trusts face a real challenge in maintaining their workforce.

However, this is not a challenge that is unique to nursing. The teaching⁴, construction, and transport⁵ industries are all reliant on older workers, albeit to a lesser extent than nursing. Construction and transport are also more likely to be subject to automation, which is likely to result in a shrinking workforce in the future.

Fuller Working Lives

A short- to medium-term fix for the industries potentially affected by the ageing workforce is to ensure that older workers retire later. This would have a number of benefits not just to those industries, but also to the Government and older workers themselves. First, a higher employment rate among older people will improve tax receipts, helping to finance state pensions. Second, work and health can have a reinforcing effect on each other.

The Department for Work and Pensions' (DWP) *Fuller Working Lives* initiative is designed to improve the rates of over-50s in work. This has had some success, with 69.6 per cent of people aged 50-64 in employment in 2015, the highest

rate for some years⁶. Nonetheless, this remains below the current employment rate of 74.5 per cent for those aged 16-64, and the Government will be looking to understand the reasons for this.

Fulfilling work

IES has recently worked with the Centre for Ageing Better (CfAB) on a rapid evidence assessment to understand what over-50s find fulfilling about work⁷. The report highlighted that the factors which make work fulfilling for older workers are very similar to those for younger workers. Nevertheless, there are some factors which are more important to older workers, including:

- Offering flexible or reduced working hours, workplace adjustments, or part-time working.
- Being part of an organisation with values that they identify with.
- Responsibility and autonomy in their work, and the ability to pass knowledge onto others.

The report also notes that health has the biggest effect on an older worker's decision to work.

Recent Government policy has run along similar lines, with the extension of the right to request flexible working in 2014 and the creation of a joint DWP and Department of Health Work and Health Unit last year. The Unit published a green paper late last year; IES has submitted its expert response to the consultation.

Looking forward

In the short term, the Government will be publishing its Carers Strategy, which will be monitored with interest: the previous strategy was published in 2008. In addition, the Work and Health Programme, which is replacing the Work Programme (evaluated by IES in 2015⁸), is due to be rolled out in autumn 2017. It is unclear whether the new programme will have elements specifically targeted at over-50s, as was the case with the Labour government's predecessor programmes.

Clearly, there is much food for thought for all those involved, including the Government, employers, and individuals. Ageing is an entirely predictable phenomenon; we know that there were two birth peaks following World War II, and we know that life expectancy continues to rise. The challenge is acting on that information effectively.

- 1 Department of Economic and Social Affairs (2015), *World Population Prospects: Volume II: Demographic Profiles*, United Nations
- 2 Marangozov R, Williams M, Bevan S (2016), *Beyond Brexit: Assessing key risks to the nursing workforce in England*, Institute for Employment Studies
- 3 Marangozov R, Williams M, Buchan J (2016), *The labour market for nurses in the UK and its relationship to the demand for, and supply of, international nurses in the NHS: Final report*, Migration Advisory Committee
- 4 Pollard E, Swift S, Fohrbeck A, Cox A, Crumby A, Stock D, Curry C (2017), *Teachers working longer review: annex B-employment practice*, Department for Education
- 5 DWP (2013), *Extending Working Life: Sector Initiative Analysis*, Department for Work and Pensions
- 6 Beck V, Williams G (2016), *Managing Older Workers: A report for Acas, Advisory, Conciliation and Arbitration Service (Acas)*
- 7 Marvell R, Cox A (2017) *Fulfilling work: What do older workers value about work and why?*, Centre for Ageing Better
- 8 Read more about IES' evaluation of the Work Programme on our website: <http://www.employment-studies.co.uk/project/work-programme-evaluation>

New report

Fulfilling work: What do older workers value about work and why?



This report presents the findings of research conducted by IES on behalf of the Centre for Ageing Better into what workplace and job-related factors make employment fulfilling for older

workers. It offers insights into both the attitudes of older workers and the implications for employers. Guidance is offered on what employers can do to support older workers, asserting that understanding what older workers want is the first step in helping employers, policymakers and others to create age-friendly workplaces.

The report is split into three broad sections covering older workers' attitudes towards different aspects of work:

- Work content – what older workers value about their job roles and tasks.
- Work culture – outlines how older workers consider work fulfilling if certain behaviours, management styles and values are presented by employers.
- Workplace adjustments – offers practical steps that employers can take to make their workplaces more age-friendly.

Download the report from:
www.employment-studies.co.uk/fulfillingwork

Foreign-born workers in the UK



Andrea Broughton, IES Principal Research Fellow



The role of foreign-born workers in the UK's economy has been the subject of much scrutiny in recent months, and particularly in the run-up to the referendum on the UK's membership of the EU. Recent IES research aimed to shed some light on both employer attitudes to workers from other EU Member States and the experiences of these workers themselves. We found that employers valued skills and work ethic above worker nationality. However, although many employers agreed that the main advantage of employing foreign-born workers was that they were hard-working, there was no evidence that this view had any real impact of recruitment practices. Workers themselves experienced no differential treatment from employers overall, although there was some evidence of hostility on the part of clients, particularly in the care sector.

IES, along with IFF Research and the Centre on Migration, Policy and Society (COMPAS), at the University of Oxford, was commissioned by the Equality and Human Rights Commission to examine the experiences, attitudes and perceptions of both employers of foreign-born workers and the workers themselves¹. The research was based on

a literature review; telephone surveys of 1,200 employers and 100 recruitment agencies; 25 interviews with foreign-born and UK-born workers; and 10 interviews with employers and recruitment agencies.

Our research covered five sectors, in which foreign-born workers are to be

found in significant numbers: food manufacturing, accommodation, food service, computer programming and social care.

Recruitment

Around half of workplaces that had recruited new staff in the 12 months

prior to our survey recruited a mixture of UK and foreign-born workers. A slightly smaller proportion only recruited UK-born staff and just 3 per cent only recruited foreign-born staff. Workplaces most commonly advertised or let people know about vacancies via recruitment websites, their own company website, and word of mouth.

The research with employers found no evidence of specific targeting of foreign-born workers in recruitment practices. Employers looked primarily for the skills, experience, qualifications and personal attributes necessary for the vacancies on offer, regardless of nationality. Many foreign-born workers reported positive attitudes towards them on the part of employers, but it was not generally felt that these views and perceptions translated into targeted recruitment strategies.

The majority of workplaces who employed or had received applications from foreign-born workers felt that foreign-born workers were just as likely as UK-born workers to secure employment with them. However, a third of all workplaces that employed foreign-born workers agreed that they would prefer to hire workers who spoke the same language as existing foreign-born staff whose first language was not English.

Poor communication skills in English were seen as the most common reason for turning down applications from foreign-born workers. This also meant that foreign-born workers with limited English language skills were often overqualified for the jobs they were in.

Workplaces said that applications from UK-born applicants had been unsuccessful due to insufficient enthusiasm, motivation and energy as well as a lack of the relevant knowledge or experience. However, this aspect of the research found no evidence that employers recruited on the basis of nationality, or that nationality was an overt consideration in recruitment selection.

Employment experiences

The terms and conditions of the roles in which UK-born and foreign-born workers are most commonly employed tended to be similar. People of different nationalities in the workplace tended to

mix well, according to the interviews. Workplace groups or cliques tended to be associated with age, with older workers and younger workers tending to form distinct groups, regardless of nationality. Inevitably there was also some self-segregation caused by language, with some foreign-born workers seeking out those who spoke the same language as them.

Broadly speaking, the majority of foreign-born qualitative interviewees said that they were treated the same as UK-born workers in the workplace. However, some foreign-born workers in client-facing roles reported occasional hostility towards them from customers, as a result of their nationality.

Some foreign-born interviewees felt that their nationality was an advantage. This was based on employers' previous positive experiences of employing foreign-born workers as well as a perception that foreign-born people were hard working, flexible and unlikely to complain about factors such as pay. However, none were able to provide specific examples of how this had helped them to secure employment in the first place.

Employers' views of workers

The majority of employers thought that both UK-born and foreign-born workers tended to be productive, flexible, enthusiastic/motivated and hard-working, although employers were slightly more likely to attribute these positive traits to foreign-born workers.

On the other hand, over 40 per cent of workplaces said UK-born workers were generally concerned about the impact that work would have on their benefits, whereas just 17 per cent of workplaces said this about foreign-born workers. Likewise, the proportion of employers who would generally describe UK-born workers as having high pay expectations (40%) was more than twice the proportion of workplaces who said the same of foreign-born workers (18%). Nevertheless, substantial proportions of workplaces felt that there were no particular advantages or disadvantages to employing either foreign-born or UK-born workers.

However, around a third of workplaces felt that the main advantage of employing foreign-born workers was

that they were generally hard-working. The most common disadvantage was poor English language/literacy skills. Conversely, around 40 per cent of workplaces said good English language skills was the main advantage of employing UK-born workers. Fifteen per cent said that UK-born workers were not sufficiently hard-working.

Lack of employer knowledge about employment rights

Most workplaces were aware that foreign-born workers are protected by the same equality law as UK-born workers; that it is illegal to offer less than the minimum wage to foreign-born workers; and that the Working Time Regulations apply to foreign-born workers. However, less than half of workplaces knew that employers must check that all job applicants have a right to work in the UK before employing them, irrespective of their place of birth. Similarly, only a minority of employers knew that it is illegal for an employer to advertise jobs in Britain exclusively in a foreign language.

Conclusions and recommendations

The findings of this research give rise to a number of policy pointers. Firstly, given that there appears to be confusion among employers and recruitment professionals about their legal obligations in relation to some areas of the recruitment process, targeted guidance could be useful.

Further, many of the individual employees we spoke to seemed to be relatively vulnerable when they first arrived in the UK. It may be worthwhile to target resources at trying to further ensure that individuals know their rights and where they can obtain help and advice if they need it.

There appeared to be some pockets of hostility towards foreign-born workers among clients, particularly in the care sector. It may therefore be useful to put into place help to enable employers to ensure that foreign-born workers are treated considerately by clients in the workplace.

1 Broughton A, Adams L, Cranney M, Dobie S, Marangozov R, Markaki Y, Sumption M (2016), *Recruitment in Britain: Examining employers' practices and attitudes to employing UK-born and foreign-born workers*, Equality and Human Rights Commission

The challenge of employee financial capability

Kate Spiegelhalter, IES Research Officer



Financial capability is the ability of people to manage their money well through day-to-day and life events – such as redundancy, bereavement and divorce – which might affect a person’s financial stability. In the context of continuing recession, employees in the UK are facing increasing financial difficulty and financial stressors¹ and research shows that financial capability in the UK is generally weak. 8.2 million people in the UK are over-indebted (16% of the population)² with only 15 per cent of the over-indebted population seeking advice³. Government, financial services providers and regulators, and employers themselves have important roles to play in supporting employees’ financial capability in a context of low take-up of financial advice.

In January 2017, in partnership with Close Brothers, IES produced three reports for the Chartered Institute of Personnel and Development (CIPD) on financial capability⁴. This included a policy report, practical guidance for employers on how they can support their employees’ financial capability, and insights from the behavioural sciences (in particular behavioural psychology and behavioural economics) that can be used to develop more ‘emotionally literate’ policies and communications in public and private sector organisations.

IES’s research found that individuals at risk of poor financial capability or wellbeing include those with high earnings and high spending as well as those on lower incomes and younger people just entering the workforce. Each employee group often faces barriers to seeking advice⁵. Further, changes in the economy mean that the financial pressures employees currently face are likely to increase in the decades to come, and that these conditions may require people to exercise greater financial discipline than required of recent generations.

Key trends in education and housing

The expansion of higher education provision has raised the challenge of financing, in a context of austerity. A number of developments have increased both the number of people affected by such challenges, and young people’s levels of debt on entering the labour market. These developments include: introducing and increasing fees for degree courses; replacing education maintenance grants with loans in England; extending loans to vocational courses such as nursing;



Briefings

Precarious employment in (recently) privatised utilities

IES has been commissioned by the European Parliament to write an in-depth analysis focusing on precarious employment in recently privatised public utilities. The research will be based on a literature review and will support the European Parliament's own-initiative report on precarious employment.

IES contact: Andrea Broughton

Analysis of Level 3 Qualifications and Destinations

This project for Gatsby Charitable Foundation will analyse students' choices and transitions at two different levels of education. Firstly, it will examine the transitions from KS4 to KS5 for GCSE achievers, examining the choices between vocational and A-level subjects. Secondly, it will look at transitions and educational paths after Level 3 qualifications (BTECs and A-levels).

IES contact: Lucia Barbone

Evaluation of Communities for Work

Communities for Work is a new labour market intervention to support long-term unemployed and inactive people into employment. It aims to tackle poverty by increasing uptake of sustainable employment through the provision of mentoring and support to overcome barriers, to boost motivation and increase resilience, ensuring participants have the requisite skills and attributes for work. IES researchers will assist in the development of a theory of change for the intervention and contribute to final reporting of the evaluation for the Welsh Government.

IES contact: Becci Newton

Research on the UK's non-surgical oncology treatments workforce

IES is taking part in a collaborative project with 2020 Delivery for Cancer Research UK to forecast the future demand for non-surgical oncology staff in the UK over the next five- and ten-year periods.

IES contact: Matthew Williams

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and introducing loans for postgraduate courses.

In terms of housing, despite a fall in prices during the recession, costs have since been increasing⁶, and significant variation in housing costs across the UK lowers labour market mobility. Some estimates suggest that nine out of ten people aged under 35 and in the bottom half of the UK's income distribution will be unable to afford to buy a home within the next decade⁷. Over half of people aged 20–39 are projected to be renting by 2025⁸. More people will either rely on transfer of housing through inheritance or living in a rented home. The rise in a renting population will also have implications for pensions policy.

Government initiatives

Continued funding has been granted for the Department for Work and Pensions' (DWP) Employee Assistance Programme, which offers individual staff and managers a 24-hour service for advice and support on a range of issues. DWP's Pathways to Work programme also provides financial, employment, and health support for all people claiming incapacity benefits, though the impact of this programme has been the subject of debate⁹¹⁰. For low earners on in-work benefits, a Help to Save Scheme will incentivise those who put aside £50 a month with a government top-up of 50 per cent after two years, which will be worth up to £600. Universal Credit aims to streamline the delivery of income-related benefits to working-age people and deliver these in a monthly payment. This will increase the need for people on low incomes to manage a monthly rather than a weekly budget and potentially to handle larger sums of money as housing costs will be paid to individuals rather than direct to landlords.

The Government has also proposed restructuring the delivery of public financial guidance to ensure that people can access help in making effective financial decisions.

Most recently, government interventions in 2016 have included: a parliamentary reception to launch new research on why children should be taught about money; a roundtable in the House of Commons to discuss high-level findings of an upcoming report on the symptoms of debt; and another to discuss a newly launched

report on the economic benefits of raised levels of financial capability in the UK. In January 2017 Theresa May also announced a review to deal with the 'hidden injustice of mental illness'¹¹, as financial wellbeing can have an impact on mental health and vice versa. Plus there has been a growth in internal business publications¹² assessing the efficacy of their own activities with their employees, and potential ways to influence their behaviour.

Behaviour change is at the heart of financial capability. Some of the earliest applications of behavioural science focused on helping people to save for their retirement, including US research on the impact of automatically enrolling employees into workplace pension plans, and Thaler and Benartzi's work on the 'Save More Tomorrow' scheme¹³, which provided an easy and effective way to increase pension contributions. Further, the UK Behavioural Insights Team (BIT) is currently considering how to apply these insights to day-to-day financial behaviours in the UK, focusing on areas such as savings and credit choices.

November 2016 saw the first 'Financial Capability Week' by the government-backed Money Advice Service (MAS). The purpose of the week was to raise awareness of the importance of financial capability, what it means and the organisations involved in making a change. On the back of this event the BIT launched the 'Financial Capability Lab' in partnership with MAS. Results of the combined work of the Lab and the wider MAS What Works Fund will be published later in 2017.

MAS has since created a 'What Works Fund' to help fill the evidence gaps identified, and recommend promising interventions that can be piloted and tested at scale in 2017/18. BIT's partnership with MAS is part of the initial wave of What Works projects¹⁴.

Links with health and wellbeing

Recent developments in the policy arena appear to recognise the positive knock-on effect of addressing poor financial wellbeing, reflected in reduced absence, improved levels of productivity and engagement and lower levels of stress. Levels of understanding of health and wellbeing have also grown in the nine years since the publication of Dame Carol Black's 'Working for a Healthier Tomorrow' report, but cuts to public health funding



can undermine actions taken to make the financial capability of the diverse employee population a core policy objective. Employers need particular help in making the business case for investing in supporting the wellbeing of their workforce, and recognising the links between social, financial and environmental factors and health and wellbeing. This latest IES research is a valuable contribution to this crucial policy area.

- 1 CIPD (2017), *Financial well-being: the employee view*, Chartered Institute of Personnel and Development
- 2 MAS (2016), *A Picture of Over-Indebtedness*, Money Advice Service
- 3 MAS (2015), *Financial capability in the UK 2015: initial results from the 2015 UK financial capability survey*, Money Advice Service
- 4 Find out more on the IES website: <http://www.employment-studies.co.uk/news/new-ies-reports-highlight-importance-employee-financial-wellbeing-support>
- 5 PPI (2015), *Financial education and retirement: international examples*, Briefing Note 76, Pensions Policy Institute
- 6 Average house prices are forecast to rise 50 per cent in ten years, and in London they will nearly double (see Skero N, Corfe S, Sheehy C (2015), *Housing 2025*, ARLA/NAEA). The average cost of renting will rise too – by 27 per cent between 2015 and 2025 (Ibid.).
- 7 Corlett A, Finch D, Whittaker M (2016), *Living Standards 2016: The experiences of low to middle income households in downturn and recovery*, Resolution Foundation
- 8 PwC (2015), 'Almost a quarter of all UK households renting privately by 2025 and over half of 20-39 year olds', PwC [Online]. Available at: http://pwc.blogs.com/press_room/2015/07/almost-a-quarter-of-all-uk-households-renting-privately-by-2025-and-over-half-of-20-39-year-olds.html [Accessed: 19 April 2017]
- 9 A report published by the National Audit Office claimed Pathways has had a limited impact and, while a serious attempt to tackle an intractable issue, has turned out to provide poor value for money.
- 10 See National Audit Office (2010), *Support to incapacity benefits claimants through Pathways to Work*, National Audit Office
- 11 Prime Minister's Office, 10 Downing Street (2017), 'Prime Minister unveils plans to transform mental health support', *Prime Minister's Office, 10 Downing Street* [Online]. Available at: <https://www.gov.uk/government/news/prime-minister-unveils-plans-to-transform-mental-health-support> [Accessed: 20 April 2017]
- 12 Barclays (nd), *Financial Well-being: The last taboo of the workplace?*, Barclays [Online]. Available at: https://wealth.barclays.com/global-stock-and-rewards/en_gb/home/research-centre/financial-wellbeing.html [Accessed: 20 April 2017]
- 13 Benartzi S, Thaler R H (1999), 'Risk aversion of myopia? Choices in repeated gambles and retirement investments', *Management Science*, Vol. 45, No. 3
- 14 Paton N (2015), 'Linking work and health: the What Works Centre for Wellbeing', *Personnel Today* [Online]. Available at: <http://www.personneltoday.com/hr/linking-work-health-works-centre-wellbeing/> [Accessed: 21 April 2017]

Briefings

Managing gender identity in the workplace

There has been very little research in the area of gender identity and its implications for the workplace, and in particular for managers and employees. This study for Acas will consider the full range of transgender and non-binary experiences in the workplace, how they are protected by the Equality Act 2010 and what policies and practices exist to ensure inclusive employment.

IES contact: Rosa Marvell

Review of models of support for disabled students

This review for the Higher Education Council for England (HEFCE) will provide evidence about how support for disabled students is currently structured and the progress institutions have already made towards an inclusive model of support for disability prior to the increase in HEFCE funding. A follow-up review will evaluate the progress made by the end of the 2017-18 academic year.

IES contact: Matthew Williams

Innovation Fund Trials

IES has been commissioned by the Department for Work and Pensions (DWP) to design and deliver a programme of policy trial evaluations. These will contribute to the achievement of a strategic objective for the newly formed Department for Work and Pensions and Department of Health joint Work and Health Unit (WHU), building a strong evidence base of what interventions work best to help people with health conditions and disabilities get in, or stay in, work.

IES contact: Stephen Bevan

Understanding individuals working in the gig economy

IES has been commissioned by the Department for Business, Energy & Industrial Strategy (BEIS) to conduct qualitative research to gather views from individuals who have found work in the gig economy. The aim of the project is to gain an understanding of their motivations and experiences to inform policy development.

IES contact: Andrea Broughton

Investigation into post-16 occupational standards in international technical education systems

The objective of this project for the Department for Education is to identify international best practice for developing occupational standards for post-16 technical education that meet the changing needs of learners and the labour market. The evidence gathered will enable the Department to develop best practice and guidance for panels of professionals that will be convened to develop standards for the reformed post-16 technical education system.

IES contact: Becci Newton

Investigating parents' decisions about returning to work and child-caring responsibilities

The project for the Department for Education (DfE) is a rapid evidence assessment to systematically identify and critically review evidence on how parents make decisions about returning to work and childcare responsibilities in the UK.

IES contact: Becci Newton

Involving young people in volunteering: careers research review

This project forms part of the Careers & Enterprise Company's 'What Works in Careers and Enterprise' work strand. It comprises a rapid evidence assessment on the landscape of youth volunteering engagement and will explore attitudinal and hard outcomes associated with volunteering. A focused literature review will synthesise findings and the final concise research report will then draw out lessons on the most effective methods for offering these opportunities.

IES contact: Joy Williams

Measurement Framework Review: Vulnerable/ Disadvantaged groups

The aim of this project for the Equality and Human Rights Commission (EHRC) is to explore what is meant by a 'vulnerable group' and how it can be defined in relation to equality and human rights monitoring so that it is a meaningful concept.

IES contact: Rachel Marangozov

Flexible higher education – is there a market for accelerated degrees?

Emma Pollard, IES Principal Research Fellow, and Clare Huxley, IES Research Fellow



Recent work by IES, commissioned by the Department for Business, Innovation and Skills, and published by the Department for Education, explores the evidence and current thinking about undergraduate accelerated degrees as an alternative and flexible mode of study. The work involved a review of the existing literature and a small number of case studies of universities offering accelerated degrees.

A view from the literature

What are accelerated degrees?

Accelerated degrees can be difficult to identify in the UK. They are not identifiable in course-finding tools, nor are they identified in statistical data about higher education (HE). The literature indicates there is no standard definition of accelerated degrees nor indeed a consistent terminology, with such programmes also referred to as two-year, fast-track, intensive or compressed degrees. We define them as courses that cover the same curriculum and content, have the same total number of teaching weeks, and deliver the same number of credits as a three-year degree but are delivered in two years (or four years for part-time study) by utilising the summer period. They change the pace of learning and length of study, enabling students to move through HE more quickly.

Who are they for? Accelerated degrees feature in literature around efficiency of university estates and organisation of the academic year, and can therefore be a way for universities and colleges to offer year-round teaching and ease crowding during the 'regular' academic year. More frequently though, accelerated degrees are focused on flexible and responsive learning provision, which in turn features in debates around student choice, lifelong learning, widening participation and student-led provision. These have all been key policy themes in HE over the past 20 years. Nevertheless, the literature concludes that accelerated degrees are currently a little-known and niche aspect of flexibility, as flexibility in HE has instead tended to focus on

the more common offerings of part-time study and e-learning. Various accelerated initiatives have been trialled over the past 20 years, but provision and take-up has tended to be modest.

Accelerated degrees are one type of provision in the arsenal available that enables individuals to vary how, where, when and at what pace learning occurs. The small amount of research into demand for accelerated degrees in the UK has largely concluded that the market is niche, the number of institutions and students involved is small, and that accelerated degrees are not designed to replace existing traditional degree programmes, but instead to add to the options available to students. The market is felt to consist of:

- newer universities, with a focus on teaching, a widening participation ethos and open to innovative forms of provision, and private sector institutions (not restricted by the cap on tuition fees);
- an offer of vocational subjects such as business, management, law, education, hospitality, IT, accounting, and media;
- a target group of highly motivated older students (including late starters with few academic qualifications), often with some work experience looking to enter or return to the labour market quickly.

Much of the research took place at a time when tuition fees were substantially lower and institutions were limited in the number of students they could accept. The context has now changed and what we are missing

is an understanding of the potential to expand accelerated degrees to traditional HE students – those 18-year-olds leaving school or college with limited work experience – as an alternative to the traditional HE study model.

A view from the ground

Institutions with successful accelerated degree programmes find their courses are especially popular with the 'young mature' – individuals in their early to mid-twenties. These individuals may be accessing HE later for a number of reasons. They may have been in the workplace for a few years already, or taken a little longer to choose or complete their previous qualifications, and/or taken some time out before continuing their education/career plans.

For this group, accelerated degrees can be a way for them to catch up with their peers, and students on these courses are described as highly motivated and very focused. They are often drawn to accelerated degrees for the opportunity to enter the workplace one year sooner than via a traditional three-year degree or to move more quickly onto postgraduate study. Also for older individuals, who are less concerned with having the 'traditional student experience' or accustomed to working throughout the year from previous employment, accelerated degrees offer a compact way to gain a higher qualification and to progress in their chosen career.

However, accelerated degrees may not be the best solution for everyone. Students and staff agreed that



Briefings

Flexible Working for Parents and Carers Returning to Work

IES is carrying out a review for Acas of how organisations elicit and consider requests for flexible working from those returning to work, and how they then manage the careers of those that work flexibly.

IES contact: Mary Mercer

Making the Public Employment Services Business Case

IES Chief Economist Stefan Speckesser was an independent expert at the EU network event on Public Employment Services, 'Making a PES Business Case' on 17th January 2017. The event was a high level seminar exploring the topics of accountability, evidence-based decision making, measuring impact and communication.

IES contact: Stefan Speckesser

Using advanced practitioners to improve teaching, learning and assessment

The aim of this project for the Education and Training Foundation is to establish how different providers in the further education and skills sector use advanced practitioner roles to improve teaching, learning and assessment. The project seeks to understand what practice exists in the sector already and provide a foundation for sharing and developing this practice more widely.

IES contact: Elaine Tyler

Correction notice

The wording of the article 'The Blue Light Programme: Support for the emergency services' in Issue 24 suggested that increased risk of mental health problems arises principally from the nature of incidents attended by emergency service professionals. Mind would like to clarify that their own research has shown that the main factors relating to mental health problems in emergency services personnel are the excessive workload and management pressures associated with their role.



accelerated degrees are demanding in terms of time required and the pace of learning. Students wanting a traditional experience and students with other commitments such as children, work or a caring role may struggle with the time requirement. Also, some students who have entered higher education through alternate routes may need additional support to adapt to a more traditional, academic style of study and may find the accelerated pace quite challenging.

What now?

The literature and case studies suggest that the following key factors appear to be restricting the market:

- **For students:** limited awareness and the strong cultural norm of the traditional three-year programme.
- **For universities:** staff resistance with (largely unfounded) concerns around quality, diminution of the student experience, increased workloads, and the potential loss of fee income as a university can only charge for two years' tuition although the student is effectively receiving three years' worth of tuition.

The latter appears to be a key blockage and this has led to a policy shift. The government has recently announced

(in February 2017) plans to amend the Higher Education and Research Bill ahead of its report stage in the House of Lords. The plans are to allow institutions to charge more per year for accelerated degree courses than the current fee cap. The exact amount that could be charged will be decided after consultation but the total would still be less than the fees for a traditional course. It is hoped that this will stimulate the market, making accelerated provision more attractive to institutions but also still attractive to certain groups of students and possibly a wider group of students. We will be watching developments closely.

References:

Pollard E, Hadjivassiliou K, Swift S and Green M (2017), *Accelerated degrees in Higher Education: Literature Review*, Department for Education

DfE and BEIS (2017), *Higher Education and Research Bill: Amendments tabled ahead of the Lords Report Stage*, Department for Education and Department for Business, Energy and Industrial Strategy

DfE (2016), *Findings from the Call for Evidence on Accelerated Courses and Switching University or Degree*, Department for Education

The benefits of vocational education for low-achieving school leavers

Vahé Nafilyan, IES Research Associate

Every year, about 65,000 school leavers start low-level vocational courses. As underlined in a report by the House of Lords Select Committee on Social Mobility, these young people have received much less attention than those who go on to A-Levels and university and, at the other end of the spectrum, the small minority dropping out of education, employment or training. Although this is a sizeable group (10% of a cohort), their participation in vocational education and labour market outcomes have so far been barely documented.



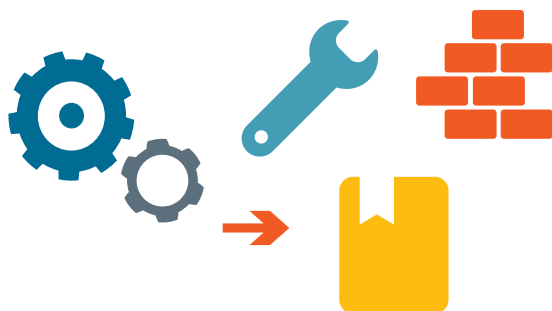
In a new paper,¹ we analyse in detail the school-to-work transition of young people who left school in the summer of 2011 and started low-level vocational courses, known in England as ‘Below Level 2’ (BL2). Using newly available linked administrative data, we examine the characteristics of BL2 learners, their learning trajectory, and their labour market outcomes.

Young people who start BL2 courses after leaving secondary school are amongst those who have faced the greatest challenges in secondary school. They have extremely weak

GCSE results. Nearly all of them failed to achieve five A*-C GCSEs, the typical requirement to start A-Levels. 68.5% of them did not achieve a single A*-C GCSE, a proportion higher than amongst those who left education and got a job (48.6%) or became ‘Not in Employment, Education or Training’ (NEET, 60.7%). BL2 learners were already struggling at school prior to GCSEs. Over half of them performed below the expected level in English and maths at Key Stage 3 (ie national examinations taken at 14 years old). In addition, 39 per cent of them report

having disabilities, learning difficulties or other health problems.

BL2 courses have similar characteristics: most programmes require the completion of 300 to 400 Guided Learning Hours (GLH), of which 200 to 300 GLH are devoted to the main subject. The main subject for about a third of all young people is Preparation for Life and Work, which focuses on personal and social skills for the purpose of personal growth and further engagement in learning. Amongst the subject areas with a clear



vocational focus, the most popular are Construction (23.8%), Engineering (15.5%) and Retail (12.3%).

We find significant progression in education by the BL2 learners. Nearly 80% of BL2 learners made successful transitions leading into continued employment, higher-level college-based vocational education, or apprenticeships. Three years after leaving secondary school, over half of the BL2 learners achieved a qualification at, or above, Level 2.

However, one in five BL2 learners drop out of education and become and remain NEET. Our analysis suggests that females are at higher risk of becoming NEET than males. Those coming from more disadvantaged areas (as measured by the Index of Multiple Deprivation) are more likely to become NEET compared to those from more privileged backgrounds. Achieving the initial BL2 course is associated with lower risks of becoming NEET.

Looking at labour market outcomes in the 2015 tax year, we find that 59.6 per cent of BL2 learners were doing some paid work, and those who did some paid work earned on average £6,724. Employment rates and earnings are higher for learners who studied Engineering, Construction or Retail compared to Health, Public Service and Care, and Preparation for Life and Work.

Our results also suggest that BL2 learners who achieved their initial vocational learning aim, fare better in the labour market than those who did not. After controlling for demographic characteristics, past performance and behaviour at school, as well as college characteristics, achieving the initial BL2 course is associated with a 4.6 percentage point increase in the probability of carrying out some paid work in the 2015 tax year, and with 16.7 per cent higher earnings. Earnings differentials associated with achievement were significantly different across subject areas. Achieving a BL2 course in Health, Public Service and Care, Retail or Engineering are

associated with substantially higher earnings compared to achieving a BL2 course in Preparation for Life and Work, the most popular subject area.

The main limitation of our study is that the association between achievement and improved labour market prospects cannot be interpreted as necessarily reflecting a causal effect. While we control for a number of individual and college characteristics, there may be other factors that drive both achievement and labour market outcomes. For instance, less motivated learners may be more at risk of dropping out and become NEET. Conversely, some learners may choose to move on to paid employment or higher level learning, before formally obtaining the qualification.

In our view, the evidence suggests policies should try to encourage and support adolescents' engagement until they successfully gain their (low level) qualification. Evidence on interventions amongst adolescents shows that the acquisition of basic skills in numeracy and literacy are greatly valued by employers. But targeting such cognitive skills in isolation is not sufficient for long-term impacts on successful labour market performances. Non-cognitive skills such conscientiousness, self-discipline, perseverance, cooperation, and willingness to be managed by more senior/adult employees are nearly equally essential ingredients to success on the labour market. The role of training mentors in this process can mimic parents' involvement and appears most effective in firms-based environments away from formal schooling.²

1 De Coulon A, Hedges S, Nafilyan V, Speckesser S (2017), *Young people in low level vocational education: characteristics, trajectories and labour market outcomes*, Research Discussion Paper 004, Centre for Vocational Education Research

2 Kautz T, Heckman J, Diris R, ter Weel B and Borghans L (2014), *Fostering and Measuring Skills: Improving Cognitive and Non-cognitive Skills to Promote Lifetime Success*, OECD Education Working Papers No. 110, OECD Publishing



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Unpacking the productivity puzzle

IES, as part of a research consortium, was commissioned by the UK Commission for Employment and Skills to prepare a series of a series of strategic labour market intelligence reports on the challenges and opportunities for increasing productivity in four sectors and two cross-cutting themes.

The Institute for Employment Studies, SQW economic development consultancy, the Warwick Institute for Employment Research, and Cambridge Econometrics examined the creative, retail, manufacturing and food manufacturing sectors, plus digitisation and leadership and management as cross-sector issues for concern.

The consortium published a set of reports on these topics, which unpack the characteristics of productivity for each sector, outlining the major challenges, looking to the future, identifying priorities for change and how employers and government can help.

Download the reports from: www.employment-studies.co.uk/unpacking-productivity-puzzle

Assessing the Performance of School-to-Work Transition Regimes in the EU

Hadjivassiliou K, Tassinari A, Eichhorst W, Wozny F (2016), Forschungsinstitut zur Zukunft der Arbeit (IZA)

Many countries have recently introduced ambitious reform programmes, aimed at enhancing young people's school-to-work (STW) transitions. These new regimes of STW transition programmes are the focus of this IZA discussion paper jointly researched by researchers from IES, Warwick Business School and IZA.

The discussion paper aims to consider two key questions regarding the performance and evolution of STW transition regimes in Europe following the recession:

- What role have the institutional characteristics of distinct STW transition regimes played in structuring the impact of the economic crisis on young people's involvement in the labour market?

- How have policies introduced following the recession changed the structure and logic of European STW transition regimes, and what are the impacts on quality of young people's STW transitions in the future?

Beyond Brexit: Assessing key risks to the nursing workforce in England

Marangozov R, Williams M, Bevan S (2016), Institute for Employment Studies

This paper offers new analysis on how two key factors – Brexit and population growth – could impact the NHS. For the first time, this paper brings together analysis at the national and trust level to map the regions and NHS trusts in England most vulnerable to the associated risks of Brexit and population growth.

The findings in this paper reveal the NHS trusts most 'at risk' from these demographic changes. These findings are derived from an analysis focused on two projected future trends: reduced supply of EU nurses following Brexit; and population growth-related demand for health services.

The analysis presented in this paper is intended to be a starting point for discussion within the NHS, in the light of the Brexit vote, rather than as the 'final word' on the subject. The paper indicates where and to what extent Brexit could squeeze the supply of EU nurses in the NHS in England, and a growing population of those aged 85 and over will increase healthcare demands on an already pressurised NHS.

The analysis in the paper encourages the view that Brexit-induced uncertainty places real pressure on the NHS workforce planners to examine and to 'model' a number of nurse workforce supply and demand scenarios.

Teachers working longer review: annex B – employment practice

Pollard E, Swift S, Fohrbeck A, Cox A, Crumble A, Stock D, Curry C (2017), Department for Education

This report produced by IES in partnership with Pensions Policy Institute on behalf of the Department for Education (DfE) offers a Rapid Evidence Assessment (REA) of the

published literature on the broad employment context of supporting teachers to work longer.

The REA forms part of the work to support the Teachers Working Longer Review, a review conducted by the DfE alongside teaching unions and employers. The review considered the health and deployment implications of teachers working longer as a result of the increase in normal pension age in the Teachers' Pension Scheme (TPS).

The aim of the REA was to review the existing evidence base on employment practice in order to provide an overview of good practice, which would be essential in managing and developing older school staff and achieving longer working lives.

This appendix to the interim report offers findings on areas such as the reasons why older teachers drop out of the labour market, the various career pathways which could support teachers working longer and the potential for aspects of the TPS such as phased retirement to be used by employers and teachers to support teachers to work longer.

The customer journey to initial teacher training

Williams J, Pollard E, Hinks R, Huxley C, Marvell R (2016) The National College for Teaching and Leadership (NCTL)

The National College for Teaching and Leadership (NCTL) commissioned IES to enhance their understanding of the 'customer journey' – the experience of those who register an interest in and progress towards Initial Teacher Training (ITT) – in order to identify where changes can best be made to maximise efficient and cost-effective recruitment to ITT.

The report, entitled *The customer journey to initial teacher training (ITT)*, looks at why potential teacher trainees make the decisions they do, including why they leave the process. The research looks into motivations for going into teaching; why they choose specific routes; their experiences as they make decisions about and prepare for training; and why they might withdraw.