

Progression in Employment: Employer initiatives in relation to progression in employment

Overview of employer initiatives in France,
Germany, Italy, Spain, Sweden and the UK

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1 Introduction to the Progression in Employment (PIE) project

The Progression in Employment project, of which this paper forms a part, is designed to capture evidence and insights on developing and implementing upskilling pathways for low-skilled adults. The project aims to identify effective employer practice in supporting the in-work progression of adults in low-skilled and low-paid work, and to share the learning from this practice with employers through the creation of an employer toolkit and a range of dissemination activities.

The project is particularly timely and relevant given:

- The increasing risk of in-work poverty since the recession in 2008 (Eurofound, 2017).
- Job polarisation, characterised by demand for high volumes of high-skilled and low-skilled jobs, and reduced demand for jobs requiring intermediate skills, which is affecting internal career ladders and creating challenges for people with lower skills who want to progress.
- Low-skilled adults are less likely to participate in training (OECD, 2019). This is likely a reflection of both worker attitudes toward training and the lack of opportunities offered by employers to low-skilled workers (Kyndt et al, 2013).
- There are persistent mismatches between employer skills requirements and the available talent pool. Comparative analysis has shown 14 types of critical skills shortages in the UK, 15 in Germany and Spain, eight in Sweden, two in Italy and two in France.
- The Fourth Industrial Revolution is changing and is predicted to reshape the world of work and labour markets. People with low skills are typically the most vulnerable to the effects of labour market change.
- Comparative analysis of institutional contexts, national policy and employer choices show very different prospects for progression in different countries (Gautie and Schmitt, 2009), suggesting the value of sharing learning to support better practice.
- Career progression to higher skilled roles can offer higher salaries, better working conditions, job satisfaction, greater challenge and interesting work. Progression can also provide a platform to engage in lifelong learning and to access further qualifications.

The project is focused on four sectors and across six European countries. The four sectors are:

- Retail
- Hospitality
- Health
- Social care

These four sectors have been chosen as they employ significant numbers of low-skilled workers and are sectors that are projected to grow. By 2025, sectoral shares of employment across EU countries is predicted to increase 7.8 per cent in human health and social care activities, by 5.5 per cent in hospitality, and by 6.2 per cent in retail (Cedefop, 2017). These sectors are also increasingly affected by technological change.

The six countries are:

- Germany
- Spain
- France
- Italy
- Sweden
- United Kingdom

This paper is one of a series of research papers. This paper presents practical examples of employer initiatives to support progression of low-skilled, low-paid workers across the six countries drawn from publicly available sources.

The other project outputs focus on the following aspects:

- policy briefing – this paper looks at why employment progression matters, and provides a brief overview of the different policy levers available and the emerging evidence around what works; progression in employment: a cross-country data analysis: this paper explores what is known about the progression of low-skilled workers across the six countries from available survey datasets. The analysis builds on previous work by isolating the effect of low skills on progression rather than a simple descriptive analysis of how low-skilled workers fare in the labour market;
- using behavioural insights to promote progression in employment – this paper explores the potential application of behavioural insights or ‘nudge’ approaches to promoting progression for low-skilled, low-paid workers;
- employer toolkit – the toolkit provides example case studies and a range of HR tools and techniques that employers can use to support the progression of low-paid, low-skilled workers;
- case study collection – this provides example employer case studies of action to improve progression in the workplace in each of the six main countries and three sectors included in the Progression in Employment project;

- progression in employment (Main Report) – this will summarise findings from across all phases of the project, and incorporate in-depth employer case studies of progression.

We hope the project, through widespread communication of promising and effective employer practice, by employers of all sizes, will encourage other employers to take action to support the progression of low-skilled, low-paid workers.

2 Executive summary

2.1 Purpose of this paper

This paper provides an overview of what is known about current employer practice with respect to progressing low-skilled staff. The paper also provides selected examples of promising employer practice in progressing low-skilled staff across six countries (Sweden, UK, Germany, France, Spain and Italy) and in four key sectors (retail, hospitality, health and social care). The examples have been collated from publicly available data. Later phases of the project will seek to provide more in-depth examples from 'live' case studies with large and small organisations operating in the same sectors and countries.

2.2 Key findings

There are examples of positive employer practice in supporting the progression of low-skilled workers in the retail, health, social care, and hospitality sectors. This is in spite of the many challenges and barriers to supporting progression in what are typically very challenging, competitive environments.

Examples include:

- the redesign of jobs to facilitate the progression of part-time workers into management roles;
- structured career development pathways mapping different roles, the competencies required in different roles, and the training and development opportunities that facilitate movement between the roles;
- contracted minimum hours to address underemployment and reduce costly turnover;
- the creation of specialist roles, training and pay associated with these roles;
- multi-organisation collaborations to support individuals to build a career within a particular sector;
- regular career conversations and the development of line management capability.

There are other examples of positive employer practice, and our in-depth case study work will no doubt identify further examples as well as providing greater depth to some of those covered in this paper.

Across the examples identified, there are indications of benefits for both employers and individuals. For example, for businesses, there are gains to be had from reduced costs associated with unwanted turnover, improved and more consistent service quality, as well

as a supply of future managers who understand the values, routines and practices of the business. For individuals, benefits include increased (specialist) skills, pay increases, and the opportunity to work in roles that may not, without intervention, have been possible.

The next stage of the research will capture in-depth employer examples of practice to support the progression of low-skilled workers, exploring some of the challenges overcome, the trade-offs made, the benefits realised and the learning that can be shared.

3 Introduction

3.1 Paper outline

The paper is structured as follows:

- section 4 looks briefly at definitions of low skill, characteristics and consequences of being low-skilled;
- section 5 outlines the different arguments for focussing on upskilling of low-skilled workers, and some of the challenges that have been identified in making upskilling a reality;
- section 6 provides a brief outline of a range of employer practices that can help support the development in work of low-skilled workers, and some of the factors that support their implementation;
- section 7 collates examples of promising employer practice identified through publically available sources or from the early stages of case study collection (future phases of the project include the publication of 18 in-depth employer case studies). This section also briefly summarises some of the benefits for employers and individuals that are identifiable from the case studies;
- section 8 presents some concluding remarks and summarises next steps for the project.

4 About the low-skilled

4.1.1 Defining the low-skilled

How the low-skilled are defined has been discussed at length. The UKCES (2012) used the OECD definition of 'low-skilled' which includes:

- those who lack basic literacy or numeracy skills;
- those with qualifications below upper secondary; and
- those with no qualifications.

However, Cedefop (2017)¹ argued that analysing 'low-skilled' primarily on the basis of using educational attainment can oversimplify the concept, and does not allow for different types of skills, abilities and factors that can result in individuals becoming low-skilled. These other factors can include:

- being long-term unemployed, or long-term disengaged from the labour market;
- having gaps between the job skills that individuals have and the changing skills demands of the labour market;
- socioeconomic factors such as gender, age and having a migrant background; and
- skills obsolescence as a result of ageing, technological changes, and changes in production processes and/or work organisation.

Additionally, when focussing specifically on educational attainment, the definition fails to acknowledge the role of skills and competencies gained outside of formal education environments, such as those acquired through informal learning, work experience, volunteering, and training. Cedefop (2017) concluded that:

“Low-skilled status must, therefore, be conceptualised as a multi-dimensional and dynamic phenomenon which goes beyond educational attainment and considers both its determinants and effects. It should also include a wider typology of people with low skills, such as those with obsolete skills and mismatched workers.”

¹ Cedefop (2017), *Investing in skills pays off – The economic and social cost of low-skilled adults in the EU* (Page 9), Cedefop

4.1.2 Characteristics of low-skilled workers

Although increases in educational attainment have been charted in recent decades, it has been recognised that one in four European adults aged 25 to 64 (totalling about 64 million adults) still held only low qualifications, and that 18per cent of adults have low cognitive skills in literacy and 20per cent in numeracy (Ibid). Notably, those with lower levels of achievement were more prevalent among those with low qualifications, in comparison to those who have medium and high qualifications. These trends reinforce the widespread commentary in the literature regarding the positive effect of education on labour market outcomes. OECD data suggests that being low-educated could be a discouragement to join the labour market (eg in 2015 only 63.6per cent of adults with low qualifications actively participated in the labour market in comparison to 79.9per cent with medium educational attainment and 88.8per cent with tertiary education), and could lead to higher levels of disengagement and unemployment within this group.

Cedefop (Ibid) reported characteristics of low-skilled adults across the EU which included:

- Low educational attainment.
- Disadvantaged background (eg migrant backgrounds, socio-economic backgrounds, although the strength of this association can vary widely across and within countries and different age groups).
- Those unemployed and inactive (including those with reduced opportunities to find work experience).
- Those trapped in low-skilled occupations and precarious work.
- Those in poor working conditions.
- Those with reduced or no opportunities to participate in life-long learning.

4.1.3 Consequences of being low-skilled

The consequences of having low skills are wide ranging. When in employment, those with lower-education, or those with skills which are mismatched, are increasingly likely to be employed in occupations that are seen as 'low-skilled', and become trapped in such occupations with little opportunity for job mobility (and this reduces further with age). Additionally, those with lower skills are more likely to experience precarious employment in comparison to those with higher skills (eg there is an increased likelihood that they are employed on temporary contracts, part-time or be self-employed), and also more likely to be employed in dangerous occupations (reporting higher accident rates) and be less satisfied with their pay and career prospects.

A report by the Joseph Rowntree Foundation (JRF) (2014)² highlighted that entering and progressing in employment has been identified by policy-makers as way of alleviating

² Devins D, Bickerstaffe T, Mitchell B, Halliday S (2014), *Improving progression in low-paid, low-skilled retail*,

poverty, but for a proportion of individuals this does not mean that it is a sustainable route out of poverty, because the quality of the role, the level of job security, and the opportunities for progression must also be considered. If low-skilled and low-paid work continues, then there is the increased risk of further labour market segmentation, and a widening of income inequality and in-work poverty. The report also argued that roles with little skill requirement, or that offer little or no training can act as dead-ends instead of pathways to progression.

As well as improving employability and earnings levels, developing the skills of the workforce can have other implications such as improved health and wellbeing and social and civic engagement. Investment in employee skills and education could help to lead to a more skilled and competent population, generate ideas and aid with innovation and technological progress (Cedefop, Ibid). Organisations with employees who are higher-skilled report improved productivity, higher return-on-investment, and savings on recruitment costs, all of which have an impact for overall economic productivity and growth.

4.1.4 Underemployment and skills mismatch

Improving an employee's skill base is important for driving both social mobility and strengthening the economy³, but there are work-based factors that can have implications as to whose skills are identified and utilised in organisations. IPPR⁴ reported on the level of underemployment in Europe when commenting on the failure to fully utilise the skills of the working population. Underemployment can occur when employees are not working as many hours as they would like to (eg working part-time when they would want to work full-time). Another way through which underemployment occurs is when people work in roles where their skills are not fully utilised. IPPR (Ibid) found in their analysis of recent labour market trends across Europe that there are many people who are currently inactive but could be in the workforce, and many people working in jobs who are not making the full use of their skills and qualifications. The UKCES (Ibid) reported that skills gaps are more common in lower level occupations, and consequently there is a role that organisations should undertake to react to these skills gaps and improve both individual and economic productivity

catering and care jobs, Joseph Rowntree Foundation

³ UKCES (2012), 'Employer Practice in Progressing Low-Paid Staff', UKCES

⁴ Thompson S, Hatfield I (2015), 'Employee Progression in European Labour Markets', IPPR

5 Why focus on employer practice in progressing low-skilled workers?

Finding ways to support the progression of low-skilled workers is important not just for individuals themselves, but also for businesses and the wider economy. At least three arguments can be articulated that resonate at these different levels of economic activity:

- The Anti-poverty case – progressing in work is a key way in which in-work poverty can be alleviated. Whilst not all low-skilled workers will be in poverty as a result of wider household incomes, many will be, and progression in work can enable higher incomes and help lift people out of poverty.
- The business case – businesses theoretically should benefit from higher skills since this enables higher productivity, and better return on capital investment. Businesses may also benefit from reduced turnover and recruitment costs, and the reputational benefits of being perceived as a good employer.
- The Wider economy case – raising the skills of the workforce should raise productivity and ultimately the GDP of the country. Raising productivity should also, theoretically, lead to higher pay levels.

All of this assumes of course that improvements in workplace productivity do, in fact, feed through into employees' wages and not simply in increased profits. Happily, the evidence does seem to suggest that increases in productivity at the workplace do positively impact wages. Work by Dearden⁵ in 2005 exploring the impact of training on productivity and wages, found that half the increase in productivity from job-related training in low-wage industries was paid out in wage increases.

There are, however, potential barriers to the above arguments becoming reality. From an employer perspective, competitive markets and demand fluctuations can, for example, encourage a human resource model dominated by cost minimisation. For example, work by the Joseph Rowntree Foundation⁶ exploring low paid-work across a number of sectors identified three main human resource models affecting security and progression in low-paid jobs:

- A core-periphery model of human resourcing (where organisations have a core of permanent workers, supplemented by use of peripheral, temporary workers).

⁵ Dearden L, Reed H, Van Reenen J (2005), *The impact of training on productivity and wages: evidence from British Panel Data*, London: Institute for Fiscal Studies

⁶ Metcalf H, Dhudwar A (2010), 'Employers' role in the low-pay/no-pay cycle', Joseph Rowntree Foundation

- A permanent model, with few temporary workers and variations in demand addressed in other ways, for example, through overtime and multiskilling.
- ‘Temp to perm’ recruitment, whereby employees are rarely recruited to permanent posts, but are employed temporarily and then, depending on demand and their performance, moved to permanent status.

Crucially, the research identified that employers operating in the same sectors and subject to the same pressures, made different choices about the human resources model adopted. The implication of this is that employers may not necessarily need to adopt a ‘cost-minimisation’ approach to labour to remain in business. Interestingly, the main reason employers appeared to adopt an approach to invest in a permanent model was due to their ethos, desire to be seen as a good employer, and belief that employee commitment was central to the success of the business. As highlighted in previous research⁷ ‘there is compelling evidence to underpin the business case for more organisations to invest in employees, but that this may depend on the foresight and quality of leadership and management in low-paying organisations’.

There has been much written to suggest that employers, for example those operating in the retail space, respond to market pressures by either adopting a business model based on low cost products versus one based, at least in part, on the shopping experience. The latter implies a greater focus on investment in people, whereas the former implies low investment in people so long as there is unskilled labour available to do the jobs required. Some authors, such as Zeynep Ton⁸, argue that this is not the real choice – and that because of hidden costs associated with high turnover, absence rates etc, a human-centred operations strategy is better for organisations even if they do seek to compete on low prices.

There are other barriers to progression that are a result of firm characteristics and their structure. For example, there is often limited room for hierarchical progression in SMEs (Small and Medium-Sized Enterprises). This can also be true in larger firms where flat organisational structures are increasingly common. That does not, by itself, mean that there are no opportunities to develop one’s skills, capabilities and wider career, although it does place restrictions on traditional notions of (upward) progression. At the same time, employers, and in particular SMEs, can be reluctant to invest in staff development for fear of losing that investment and valued employees to competitors. Other factors affecting the extent to which small firms invest in developing their staff include information deficiencies (lack of information on training available and the benefits of it), short-termism and risk aversion (opportunity costs of training tend to be higher for smaller firms), the supply and cost of training (lack of access to economies of scale can increase costs); management capability, principally the ability of management to identify current and latent skills gaps;

⁷ Philpott J (2014), ‘Rewarding work for low-paid workers’, Joseph Rowntree Foundation

⁸ Ton Z (2014), ‘The Good Jobs Strategy: How the smartest companies invest in employees to lower costs and boost profits’

and the 'low-skill' equilibrium, whereby product market strategies emphasising low specification products or services require low levels of skills, which then in turn impacts on the wider skills supply and ultimately encourages employers to choose production methods that require low skills⁹.

Previous research has identified other barriers to progression at work of low-paid workers that are less about market pressures, and more to do with the characteristics, needs and motivations of employees working in low-paid roles. In the retail sector, previous research¹⁰ has identified significant underemployment, with many employees being capable of higher-level contributions. The research identified two cohorts of retail workers: one of which wants to earn more hours and/or promotion to increase their earnings, and another that values flexibility and convenience in working hours and location above pay, and is prepared to achieve a rate of pay below their market potential. More than half of low-paid retail workers in the UK report feeling 'overqualified for the work that (they) do'. At the same time, two-thirds of workers in the sector said they would accept a job that they are overqualified for if it allowed flexibility in hours. Similarly, half of those who work part-time would only accept a promotion if they could keep their part-time status. A high proportion of entry level roles in retail, hospitality and care are part-time, and it can be difficult to progress due to the lack of flexibility in higher-paid (management) roles. Designing part-time progression pathways, and designing jobs in ways so that they can be undertaken on a flexible basis, offer two ways in which progression opportunities could be unlocked and productivity gains achieved. This is particularly relevant to skilled women with, for example, those working in low-skilled retail roles, being more likely to say that it is important for them to work part-time (Ibid).

Other barriers that have been identified, particularly in the retail sector in the UK, are self-perceptions around health and the belief that a promotion is 'not worth it' considering the trade-off between the increase in income achieved, responsibilities associated with the additional work, impact on other commitments (eg family life) and associated costs (such as increased childcare costs). Anecdotal evidence has suggested that some individuals who achieve promotion step down because they find the new role too difficult to sustain (Ibid).

There are other barriers to progression of particular groups of workers who tend to be more prevalent amongst low-skilled workers. For example, for migrant workers, potential barriers include:

- lack of work-related language skills;
- the undervaluation, lack of recognition, or poor portability of their existing skillset or qualifications;
- lack of organisational understanding of ethnic minority/migrant communities;

⁹ Stone I (2012), *Upgrading Workforce Skills in Small Businesses: Reviewing International Policy and Experience*, OECD

¹⁰ Ussher (2016), *Improving pay, progression and productivity in the retail sector*, Joseph Rowntree Foundation

- informal workplace practices that can undermine equal opportunities policies eg. social networks;
- prejudice, stereotyping or discrimination in promotion decisions.

Similarly, there are particular barriers that may be of particular relevance to older and younger, low-skilled workers. For older workers, lack of flexibility or adjusted work arrangements can impact on the ability of older workers to stay in, and progress in work, perhaps as a result of care responsibilities or declining physical and mental health. For younger workers, employer reluctance to invest in skills due to anticipated frequent job changes can be a barrier, as well as wider challenges such as lack of labour market experience and qualifications.

There is significant change happening, much of it technology-driven, in each of the 3 sectors that are under study. For example, recent analysis of the Labour Force Survey (LFS) in the UK by the RSA identified the top 20 fastest growing, and shrinking, occupations in the UK. The fastest growing included care home workers and care workers (increased by 10per cent or 71,000), and elementary storage occupations such as warehouse workers (increased by 19per cent or by 76,000). Those shrinking the most included retail cashiers and operators (down by 25 per cent, or 39,000) and bank and post office clerks (down 26per cent or by 39,000). On a day-to-day level, we can all experience these changes through the increasing prevalence of self-service checkouts and kiosks. At the same time there are organisations that buck the trend using increasingly skilled face-to-face customer contact as a selling point.

Technology is reshaping the way work is, and can be, done in the 3 sectors under study. Work by the RSA¹¹ has identified some of the innovations shaping the nature of work and the skills required in low-paid work, including the care, retail and hospitality sectors. Technologies being developed in the Care sector include those designed to read and respond to basic human emotions, guiding patients across buildings, delivering and encouraging patients to take medicines, monitoring and detecting changes in behaviour and pick up early signs of distress, and assisting Care workers with physical, lifting tasks. Such developments could enable Care workers to focus more on the human, interpersonal side of their role, and place greater emphasis on the development of these skills. Similarly, in the Retail sector, technology innovations include chatbots to answer customer queries, enhanced, image-based search engines, automated inventory management to better match demand and supply, and automated e-commerce design. The impact of this on the number and nature of jobs is evolving, and different companies will adopt different strategies, some centred on cost-minimisation and others on customer experience. What all this means in terms of possibilities of low-paid workers to increase their pay or progress in work is uncertain, but there are analyses which suggest that there have been increases in warehouse jobs in the UK since 2010 and these have tended to

¹¹ Dellot B, Wallace-Stephens F (2017), *The Age of Automation: Artificial Intelligence, robotics and the future of low-skilled work*, RSA

be better paid on average than the jobs in the retail sector that have been lost in that time¹².

¹² Ibid

6 How can employers progress low-skilled staff?

Previous research has considered the causes and consequences of lack of progression of low-skilled workers. The 'low pay-no pay' cycle is well documented, where there is significant churn in the labour market with low-skilled employees failing to progress in work, falling out of the labour market and then re-entering by means of another low-skilled job. Failing to progress in work also has implications for available opportunities for unemployed individuals looking to gain a job. How and why some employers facilitate successful progression of low-skilled workers is a relatively under-researched area. The aim of this paper is to present examples obtained from publically available sources about what employers do to facilitate progression of low-skilled staff. This paper presents a preliminary scan of available data and will be supplemented later on in the project with in-depth case studies.

Progression can be defined in a multitude of ways, in terms of vertical progression up a hierarchy, pay, or in terms of wider career development. For the purposes of this study, we are interested in employer activities which support low-skilled individuals to develop their expertise and competence through either experience, or education. This may include activities such as secondments and horizontal job moves, which may not immediately be associated with increases in pay but may well do so in the future.

There are multiple reasons, evident from both the examples presented in this report and wider literature, why an employer may choose to put in place measures to support the progression of low-skilled employees. These include:

- A response to recruitment difficulties.
- Enhanced reputation as an employer.
- Greater understanding and awareness of the business, and flexibility, is often cited as a benefit of a 'grow your own' policy, as opposed to recruiting externally.
- Improved productivity is cited by some employers, most likely as a result of increased skills and engagement of staff.
- A desire to cultivate a 'grow your own' culture of progression.
- Some employers cite improved retention rates and reduced turnover as a result of a focus on internal progression.

Previous research¹³ has also identified possible ways in which employers can facilitate the progression of low-skilled staff. These include:

- open recruitment and development opportunities for all members of staff, or in some cases approaches targeted at particular groups of workers;
- development of progression pathways that align job roles, competencies; and training and development opportunities;
- provision of, and employer support for, accredited learning;
- increases in pay directly linked to training completion or development of competencies;
- regular performance appraisal and development planning;
- designing jobs in ways that make higher paid roles feasible for people who wish/need to work part-time, or who need to balance work with other commitments;
- job rotation and coaching to develop multi-skilled staff
- job placements, secondments and opportunities to act up or take on supervisory roles;
- support from mentors;
- succession planning and staff development as a core element of an organisation's aims, ethos and practice.

Of importance to all of these practices is the quality and effectiveness of support from line managers in identifying talent, developing individual workers, and facilitating access to development. In addition to effective line management, a range of other organisational factors that potentially support the implementation and success of progression approaches have been identified. These include:

- development of an evidence-base and business case for the progression of low-skilled workers, for example as a means of supporting the growth of the organisation, improving service quality, or reducing costs associated with staff turnover and sickness absence;
- senior leadership support for the progression agenda making it part of high-profile policy;
- developing champions throughout the business to develop, implement and sustain progression practices;
- the presence of HR systems and practices such as induction, performance appraisals, (personal) development provision;
- a long-term perspective helps, with organisations anticipating future skills needs more likely to identify opportunities for progression for their staff.

¹³ UKCES (2012), *Employer practice in progressing low-paid staff*. UKCES.

Devins D, Bickerstaffe T, Mitchell B, Halliday S (2014) *Improving progression in low-paid, low-skilled retail, catering and care jobs*. Joseph Rowntree Foundation.

7 Selected employer practice examples

7.1 Introduction

This section summarises the employer initiatives aimed at promoting the career progression of low-income people as identified by the academic and grey literature, web searches and stakeholder interviews. Examples relevant to low-skilled workers in general are presented first, and then specific initiatives aimed at groups prevalent amongst the low-skilled are explored, in particular older workers.

7.2 Selected examples of employer practice

UK: Promotion trials in the Retail sector

Greggs, the UK's largest bakery chain, with more than 1,800 shops and 20,000 employees, employs a large number of young people: a third of its workforce is aged 18-24, recruited in a variety of ways, including direct access to entry-level jobs (CIPD, 2012).¹⁴ Yet the baker/retailer found that existing employees of all ages, including talented young people were reluctant to put themselves forward for promotion for more senior store roles (eg Senior Team Members), due to lack of confidence and concerns about having to undergo a formal interview.¹⁵ In order to overcome such reluctance and help suitable candidates progress as part of its talent management policies, the company offered promising employees a four-week trial on the more senior role, without them having to have an interview. At the same time, it held open their previous job so that should the trial not work out, they could resume their former role (Ibid). The scheme has proved highly successful: to date, around 200 Team Members have now been through this trial role, with almost three quarters becoming Senior Team Members.¹⁶

¹⁴ CIPD/Learning to Work (2012), 'The Business Case for Investment in Young People', CIPD/Learning to Work

¹⁵ Tait C, Harrop A (2018), 'Pathways to Progression: Improving progression rates for young retail workers', Changing Work Centre/Fabian Society, commissioned by TUC.

¹⁶ Business in the Community (2017), 'Good work for all: Why Greggs offers progression on a trial basis' <https://www.bitc.org.uk/all-resources/case-studies/good-work-all-why-greggs-offers-progression-trial-basis> accessed on 4th June 2019.

Sweden: 'Growing your own' in the Hospitality sector

In Sweden, the large hotel operator, Scandic¹⁷ prioritises internal progression, believing in the value of employees who share Scandic values, and have an in-depth understanding of company routines and practices. Whenever a new hotel is established the company mandates that at least 50 per cent of the staff must have experience from another Scandic hotel. This way the company believes that its values will be translated into the new hotel. Progression in employment is facilitated in multiple ways, including: all new job opportunities being advertised internally before placing on the external market; a future leader programme open to all staff, and to which staff can self-nominate (experience so far has shown that participants often come from lower levels of the company hierarchy, a benefit of which is that individuals are able to bring their front-line experience 'on the floor' to their new roles as managers). Whilst focussed on low-skilled workers in general, the programme has also had beneficial outcomes in terms of facilitating the progression of low-skilled migrants, increasing the share of people with migrant backgrounds in management positions. Low-skilled workers can also participate in so-called 'top teams', essentially project teams tasked with developing aspects of the hotel chain's business. The Scandic approach will be explored in greater detail as one of the in-depth case studies.

Scandic has also established a collaboration with the Swedish Armed Forces to validate the skills of chefs within the Armed Forces who are looking to move into a Civilian role. The education consists of ten days where the participants are supervised by one of Scandic's kitchen managers, who also validate the skills of the participant. The collaboration is seen as valuable to the Army, as it enables them to show future employees that there are career opportunities beyond the Army, and that having the Armed Forces on their CV can be of benefit when looking to develop careers.

Germany: 'Recruiting for attitude rather than qualifications in the hospitality and care industry'

The Hotel Wyndham Garden in Weimar has refocused its recruitment strategy, in the face of talent shortages, to move away from those with formal qualifications who are in scarce supply to those with the right attitudes and motivation. This approach has effectively widened the available talent pool and led to the recruitment and progression in work of low-skilled workers.

An acute care hospital, Marienkrankenhaus Soest, has adopted a similar approach, focussing on recruiting and developing individuals with the right attitudes, rather than requiring set qualifications for certain roles. The organisation has also developed multiple career paths and development options to enable low-skilled staff to develop in ways that suit their interests and capabilities. In addition, personal development opportunities are available which are hugely beneficial for disadvantaged groups.

UK: Defined development programme and job design to facilitate progression of part-time workers in the Retail sector

Pets at Home¹⁸ is the UK's largest pet shop chain, employing nearly 5,000 store-based staff. They recruit for attitude and motivation rather than qualifications, and have a clearly defined development programme for new entrants; the Step Up programme. This has four levels, the achievement of each step associated with a pay rise. In addition, there are development programmes to support the development of staff into different levels of management role. There is also a fasttrack programme staff can join to support business improvement. Pets at Home is also working to address barriers to low-skilled women moving into management roles. Sixty five per cent of the store-based staff are women, many working in part-time roles. Pets at Home is trialling an approach to redesign assistant manager jobs so that they can be made available part-time and so facilitate progression of those working in low-skilled, part-time roles into higher-paid management roles¹⁹.

Spain: Internal mobility, competency development and training in Social Care

In Spain, CTF Social Health Services, a cooperative society in the home care sector, has developed three core policies aimed at improving the working life of its ageing workforce. The organisation offers home care and home help to people with disabilities and also provides family support services to more than 3,500 households in Barcelona and the surrounding areas. The organisation has an ageing workforce, with an average employee age of 46 years, and 18 per cent of employees aged 50 and over.

The company has also formalised its training policies. Each year the organisation defines a training programme – with the participation of the Executive Committee and the trade unions – that is based on the analysis and identification of training needs within the services. The training and development plan offered to employees is adjusted to meet the capabilities of workers. The training programmes aim to address the needs and demands of each work area and the continually increasing competence and specialisation level required in home care services. The objective is to improve the workers' contribution to the job and their ability to adapt to the needs of the groups with whom they work. These internal measures form the company's HR response to its ageing workforce and are considered successful strategies, with the cooperative wishing to develop its training programme further to adapt to issues of ageism²⁰.

¹⁸ <https://www.petsathomejobs.com/retail-jobs/learning-and-development> accessed on 4th June 2019.

¹⁹ Timewise Foundation (no publication date), 'Retail Sector: Developing career progression pathways and enhancing productivity' https://timewise.co.uk/wp-content/uploads/2016/05/Retail_Sector_Project.pdf accessed 4th June 2019.

²⁰ Eurofound (2006), 'CTF Social Health Services, Spain: Training and Development', <https://www.eurofound.europa.eu/observatories/eurwork/case-studies/ageing-workforce/ctf-social-health-services-spain-training-and-development> accessed 4th June 2019.

The majority of employees (92 per cent) work in direct home care roles, with the remainder roles in services management and telephone assistance located at Head Office. When vacancies arise in Head Office they are offered to home care employees in the first instance, with age considered a priority factor, helping support the retention of older workers.

UK: Development of a career mapping and development App in the Hospitality sector

Rocco Forte Hotels has worked alongside Artizian to develop a structured in-house training and career progression programme for low-paid staff. The delivery of the programme is carried out via an online Application available via smartphones, tablets and computers enabling staff to have 24 hour access to their career map, training materials and on-site coaches. The App includes: a career map for all staff to identify progression opportunities; a competency framework defining what you need to know and do to progress; 24/7 access to training materials and tutorials; 24/7 access to a career coach to help staff realise their potential.

Sweden: Developing specialist skills in the Care industry

Vardaga, part of the AMBEA group, one of the leading independent providers of care in the Nordic countries, supports progression of its employees, particularly its assistant nurses (defined as low-skilled), through its Dementia Academy. Thirty three care homes within the Vardaga group are certified dementia homes. All staff in these homes go through the Dementia Academy and receive a certificate stating that they have been through that training. Individuals can undertake additional training to be appointed 'Head of Dementia Issues', a form of upskilling for staff offering greater responsibility and offering the opportunity of a salary increase. It's also seen as a great asset on the CV when applying for jobs elsewhere in the company, or more widely in the sector. Vardaga will feature as one of our in-depth case studies in the main report of the project.

UK: 'Development programme for those working in the Care sector'

A large provider of housing and residential care for vulnerable older people, Anchor, has implemented programmes to help individuals develop from care assistant to team leader, deputy care home manager and manager. Individuals request to participate in the programmes through their line managers. Nearly 30 per cent of those taking part in this programme have now been appointed to a higher level. Module training is made available to individuals that can be completed at Further Education (FE) colleges so that specific training needs can be targeted. Support is also offered to individuals transitioning into the sector through the assignment of mentors to new starters.

UK: Career conversations, training opportunities, and redeployment for older, low-skilled workers in the Care sector

St Leger Homes, a social housing provider established by Doncaster Council, in an attempt to reduce staff turnover and lower recruitment costs launched the New Directions Programme in autumn 2015. The provider has 774 employees, with 285 in manual jobs, and more than a third are aged over 50. Many employees are also tenants in the 21,000 council-owned homes it manages. The New Directions Programme aims to retain and upskill older workers and offers them regular 'career conversations' to discuss progression opportunities. In addition, it encourages participation in training opportunities for older workers who wish to retrain or change career to stay in employment as they age. The employer also offers a redeployment register to enable older staff to request alternative employment with workloads more suited to their abilities and experience. In addition, the company hosts a work experience scheme for tenants facing age as a barrier to employment. Over a period of 12 months, the programme reduced staff turnover and generated savings of £26,000 in recruitment costs. The scheme has also meant that the skills and expertise of older workers are retained and transferred to younger employees.

UK: Increasing contracted hours in the Retail sector

In the UK, The Living Wage Foundation has worked with Hobbs²¹, the retailer, to explore some of challenges and barriers to progression of low-paid staff. Underemployment emerged as a key issue with many staff wanting to work full-time. In addition, short contracts and staff schedules organised around consumer traffic made it hard to build in time for training and development. The consequences of voluntary turnover also negatively impacted the business with recruitment costs, lower productivity, and the time taken to get new staff up to speed with working practices. Hobbs has been trialling a range of interventions including increased contracted hours and weekly paid training.

EE, part of the British Telecom group, was experiencing high turnover amongst its retail workforce. In mid-2015, 60 per cent of retail staff who were working less than 25 hours per week were leaving within the first 12 months of joining. Supported by the Living Wage Foundation, EE identified that staff that stayed longer were more productive. The use of short-term contracts was identified as the main driver of high staff turnover. The negative impacts of high staff turnover included higher recruitment costs, understaffing and a loss of knowledge and skills. EE introduced a new contract minimum of 25 hours for new retail employees, and offered an uplift in basic working hours for all those who wanted it. 650 employees from across 330 stores have chosen to increase their working week by an average of 9.2 hours – translating to about £4,500 more per year. After six months, the

²¹ Living Wage Foundation (2016), 'The Living Wage Foundation's 'good jobs' in retail project', <https://www.livingwage.org.uk/sites/default/files/Hobbs%20EE%20-%20Toolkit.pdf> accessed on 4th June 2019.

rate of employee attrition amongst this group was 25per cent, lower than the rest of the retail population.

UK: Shared Skills Academy in the Retail sector

Realm, an organisation that manages the London Designer Outlet retail area in London, established a skills academy (the LDO Skills Academy) to support the development of retail staff working at a number of high-profile retailers located at the LDO centre. The academy provided on-site specialist training, with individual training plans and mentoring to support understanding of the retail sector. In addition, several retailers located at the centre worked together to define how talented people could progress a career in retail. The initiative has increased awareness amongst participants of the opportunity and skills required to progress within store, and more generally in the retail sector; promotion of skills academy graduates within and across businesses in the retail sector; improvement in mystery shopper results for participating stores; and highlighted best practice for employers in recruitment and development.

UK: Career development courses and training and development practices in the Health sector

In the UK health sector, a National Health Service (NHS) Trust in the east of England offers career development courses tailored specifically to older employees. The courses are based on the NHS Career Framework which was designed to improve career development and job satisfaction for NHS employees. The aim of the framework is to encourage individuals to learn new skills and take on additional responsibilities, thus enabling them to progress within their organisation.²² The career management courses offered by the Trust outline the possible career paths open to older employees and illustrate how older employees can progress from one job level to the next, or move to other departments.

In another NHS Trust in London²³, UK, historical difficulties in recruiting nursing staff have meant that the organisation has always tried to recruit and retain older employees. Policies relating to recruitment processes, training and development practices, and retirement arrangements ensure there is no discrimination on the grounds of age. Opportunities for training have been directed to older nurses who have returned to employment, to ensure that all employees can advance in their careers. In addition, the Trust offered a degree of flexibility in the retirement age for nurses, which has enabled many staff to remain in their posts past the normal retirement age. This has helped to retain employees with valuable skills and experience.

²² <https://www.healthcareers.nhs.uk/career-planning/resources/nhs-career-framework> accessed on 4th June 2019.

²³ Eurofound (2005) 'Newham NHS Trust: Training and Development' <https://www.eurofound.europa.eu/observatories/eurwork/case-studies/ageing-workforce/newham-nhs-trust-united-kingdom-training-and-development> accessed on 4th June 2019.

UK: Support to gain qualifications and flexible working arrangements for older workers in the Care sector

At a residential care home based in Gloucestershire in the UK, in which almost a third of its 212 staff are aged 50+, the employer encourages older employees (aged 50+) to return to training to gain qualifications such as National Vocational Qualifications (NVQs) to facilitate their career progression. The employer also supports flexible working to enable older workers to find a working arrangement that supports them to remain in employment longer. The organisation reported lower levels of sickness absence, improved care delivery, staff retention and workforce stability as a result.

In a care and support organisation in the West Midlands, training support is targeted at older workers who have changed career to enter social care at a later age. And similarly at another social care SME, training for NVQ qualifications and apprenticeships is made available to all employees, but a particular emphasis is placed on the business benefits of funding training for older workers. Within this organisation, training support has resulted in improved staff retention and, in turn, savings on recruitment costs and improved care quality as recognised by its Care Quality Commission (CQC) inspection report and rating.

A national home care provider, Home Instead Senior Care, specialises in providing non-medical care and companionship in the home for older people, alongside delivering specialist dementia care and end of life and respite care. It is committed to tackling workplace ageism, and believes older workers' life skills are a perfect complement for its CAREGiver roles. It actively recruits people aged in their 60s, 70s and 80s to care for its elderly clients. Some 40 per cent of its CAREGivers are currently aged 50 or over. The company provides ongoing training and development opportunities to all CAREGivers, including City and Guilds specialist dementia training and end of life training, in recognition of the fact that "many people aged over 50 want to continue to develop their careers, learn new skills, try new things and also share their work and life experiences" (Home Instead Senior Care, 2018).

UK: Apprenticeship funding for older workers in Retail

In the retail sector in the UK, The Co-operative provides £0.5m of top-up funding to apprenticeship programmes for older applicants because this cohort cannot access government funded apprenticeship support. This has resulted in 393 apprentices aged 50-59 and 62 apprentices aged 60+ being recruited (BITC, 2017).²⁴

²⁴Business in the Community (2017), 'Business Champion for Older Workers: Stories from business', https://age.bitc.org.uk/sites/default/files/business_champion_stories_from_business.pdf accessed on 4th June 2019.

Germany: Lifelong learning, corporate identity and retirement transitions in Social Care

Also in Germany, in Mönchengladbach, in the care sector, Sozial-Holding der Stadt Mönchengladbach GmbH, has focused on older workers in recognition of increasing pressures in the sector for higher standards of care. The company supports positive images of ageing, establishing a company motto of “We are older than 50 – so what?” as a fundamental part of the corporate identity. This is also mirrored in the company’s commitment to ensure that all age groups are considered when recruiting new staff. The company has also developed a professional competence (lifelong learning) policy as it is viewed as essential to continually develop the knowledge and skills of employees. The company has attempted to motivate employees of all ages to participate in special education, training and further education and has offered to support employees to achieve new qualifications. In addition, the company offers older employees a transition into retirement by offering a different, smaller job opportunity in a different field or with different task responsibilities than their current role. This has been accepted by between half and two thirds of eligible employees.

Spain: Investment in the development of line management capability

Ausolan, a Catering and Cleaning services company in Spain, adjusted its approach to people management following a number of acquisitions and a realisation that as a service provider, ultimately the quality of the work and productivity rested on the capability and motivation of its, largely, low-skilled staff. As a result, the company invested in the development of its staff, including development of the people management capability of its line managers. A more in-depth case study will be provided as part of the main report.

7.2.1 Benefits of employer practice

Looking across the case study examples collected to date, there are a number of benefits that emerge for both employers and individuals of adopting approaches to support the progression of low-skilled workers. An initial list of benefits is illustrated in Table 7.1 below. There are likely to be others that emerge in the further course of this research, in particular from the employer case studies to be undertaken as the next phase in this research.

Table 7.1 Benefits of employer practice

Benefits for Employers	Benefits for individuals
Retention of knowledge, skills and experience	Development of (specialist), marketable skills
Improved service quality	Increased pay
More diverse management population	Promotions to more senior roles
Lower sickness absence	Adjustments to existing roles/new roles that fit in with other commitments/needs
Reduced turnover	Enable staying in work/role longer than

Increased productivity

Greater efficiency and employee commitment achieved through employees' who know the business, its values, routines and practices

might otherwise be the case

Enable individuals to fully utilise their skills/potential

Opportunities to discuss and develop career

8 Concluding remarks and next steps

The existing literature highlights that in spite of, and despite sharing, many challenges relating to market pressures, employers appear to make different choices with respect to how they manage and develop low-skilled employees. This initial scan of the available literature has identified promising examples of employer practice in terms of progressing low-skilled staff, and indeed, has identified a wide range of practice. The next phase of the project, the employer case studies, will be central to exploring in detail their motivations, challenges, trade-offs, learning, practices and the benefits achieved. These will be central to the final employer toolkit and encouraging other employers to support the progression of their low-skilled workers.

9 Annex 1: methodology

This literature review was informed by a search of academic and non-academic literature, websites and local stakeholder interviews in each country.

To identify academic sources, a broad range of search terms were used to identify relevant literature in academic databases (such as ABI Inform, Business Source Premier, Expanded Academic ASAP, IBSS INGENTA etc) through the University of Brighton. The search strategy was also designed to include key published material (books, academic journals, research reports, policy documents and statements) and grey literature (including unpublished research reports, material from websites, including employer and NGO websites, as well as websites that focus specifically on progression in employment). The scope of the review was mainly limited to literature dating from 2008 onwards.

Grey literature searches were also conducted in order to include the substantial amount of documentation available at EU-level and research that has been produced by transnational bodies such as the World Bank and European institutions in the policy area, including European Commission, European Parliament and other Community bodies, notably Eurofound and CEDEFOP; as well as relevant work undertaken by other international organisations, such as the OECD and ILO.

Website searches were also conducted to search for additional data. The websites (non-UK) were selected based on recommendations from our project partners.