

Creating pathways out of low pay and designing in-work progression support

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INTRODUCTION TO RESEARCH

Evidence review of upskilling and retraining opportunities for low-paid workers in Northern Ireland

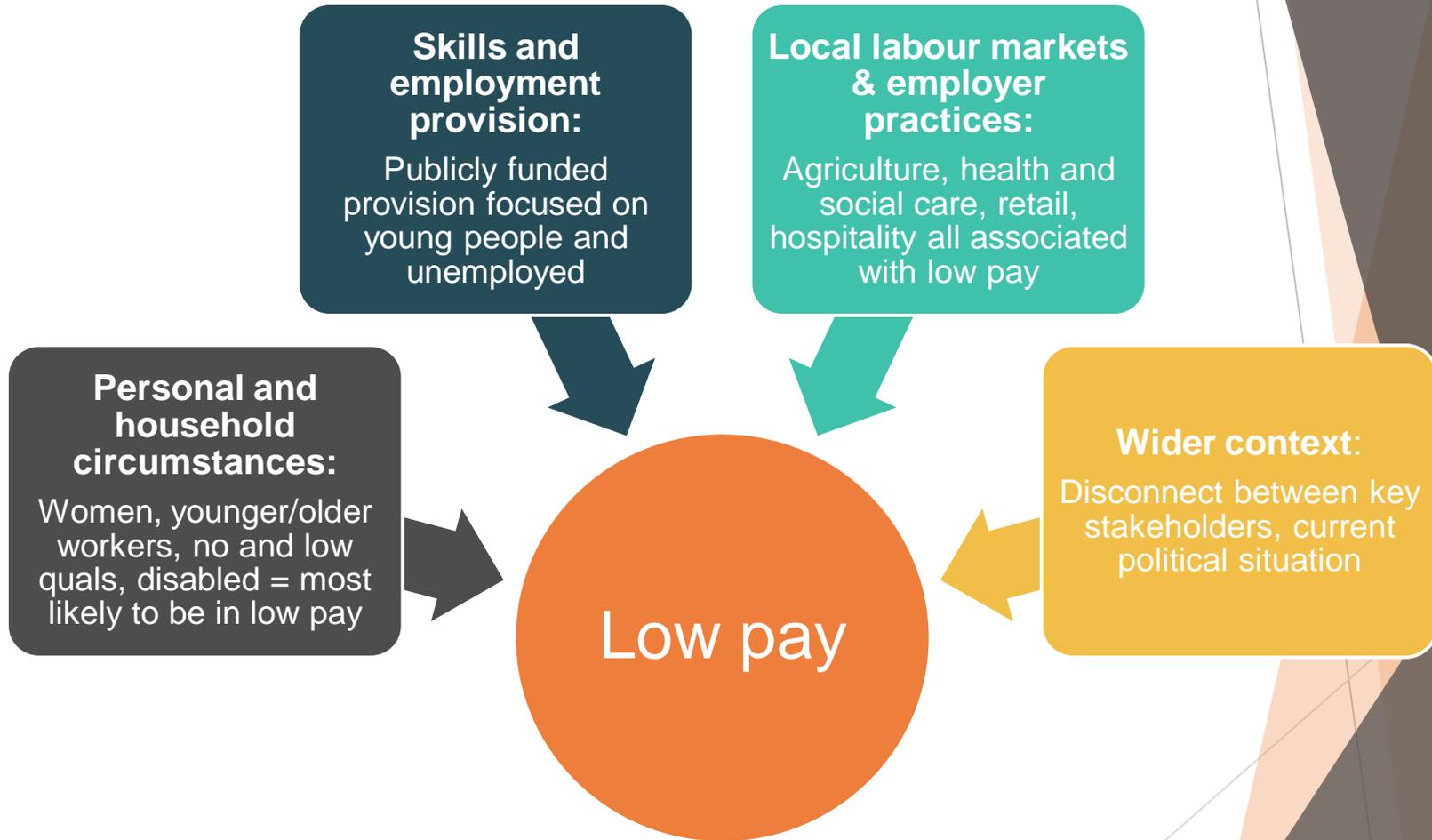
- **Data review:** review of existing data on low pay, in-work progression and upskilling and retraining in Northern Ireland
- **Consultation with stakeholders:** interviews with policy and practice stakeholders to provide insight into a) barriers to upskilling and in-work progression and b) local challenges in developing effective support
- **Review of support landscape:** provision mapping review to identify relevant initiatives in operation across Northern Ireland
- **Policy workshop:** explore findings, present support options and discuss possible barriers, enablers and recommendations

Output: Recommendations to improve opportunities for upskilling and retraining initiatives for those in low-paid work in Northern Ireland

THE CHALLENGE – low pay and in-work poverty

- 28% of workers in Northern Ireland earn below Real Living Wage (£8.75) – higher than UK average 23%
- Average weekly earnings in Northern Ireland are £410 - much lower than England (£454) and Scotland (£442)
- Gross disposable household income (GDHI) per head indices (UK = 100) in Northern Ireland is 80.9
- Low pay is a major contributor to in-work poverty
- Intergenerational disadvantage - big impact on living standards and mobility
- Significant fiscal costs – tax credits and housing benefit
- Economic competitiveness - low pay linked to low skills and NI productivity gap
- Skills gap: significant under-supply for Level 3-5 and work-based competencies

CONTEXT FOR LOW PAY & PROGRESSION



SUPPORT LANDSCAPE

Support pathways for those in low pay are under-developed, however there are some models of support which address related issues:

Invest NI:

Skills assessment & upskilling support for SMEs and sector-led employer groups to support business development

HE and FE:

Some programmes available to employers and employees – although barriers to participation

Business in the Community:

Employer-focused support to help improve business practise, placed 2,000 people into work

Unionlearn:

Learning budget to support work-placed learning each year – focused on helping employees build work-related skills

Department for Economy:

InnovateUs & Skills Focus – training support to develop knowledge and skills for innovation in business

INDIVIDUAL FOCUSSED

Engagement:

Direct marketing
Through
partnerships

Individual action plan:

Progression
barriers
assessment
Career pathways
IAG

Addressing barriers:

Skills offer
Wider needs
support / referral
Adviser support

Progression support:

Employability
Work experience
Jobs brokerage
/employer
engagement

Important aspects in successful implementation:

- **Personalised and flexible support** - tailored to individual aspirations, capabilities and needs.
- **Adviser skills and capacity** - knowledge of sectors and skills, partnership building, benefits guidance, coaching, sustaining engagement.
- **Effective partnership working** – co-ordinated with wider support and provision for referrals, to address career goals and meet wider needs
- **Achieving progressions:** individual job changing support and brokerage (marketing clients, recruitment agencies, matching and carving)

EMPLOYER FOCUSSED

Employer engagement:

Business case
Pledges
Business development offers

Training needs analysis:

Tailored to business needs
Identify eligible/suitable employees

Employee interventions:

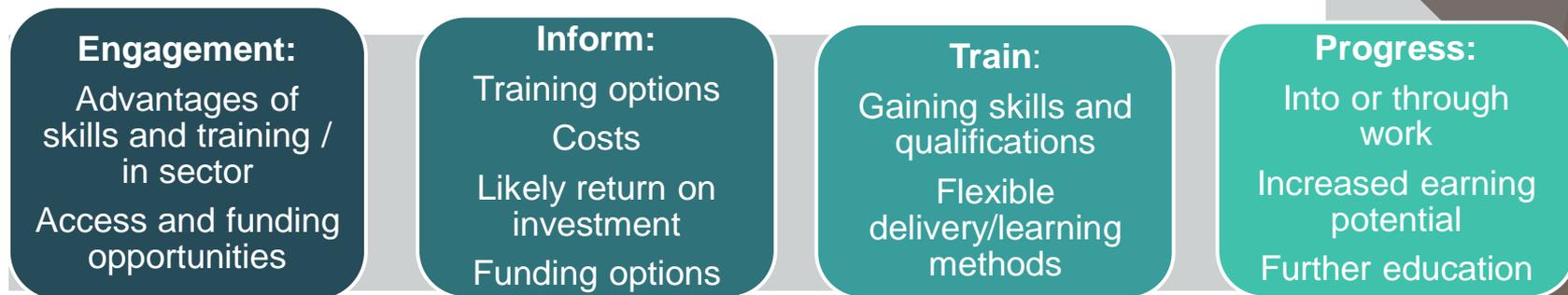
Skills offer
Mentoring
Wider support / referrals

Securing progression outcomes:

Earnings outcomes
'Better' jobs

- ▶ **Focussed targeting** of sectors
- ▶ **Messaging:** clearly linked to business needs (skills shortages, recruitment/retention) cost savings, wider outcomes (productivity, motivation, satisfaction, wellbeing, CSR)
- ▶ **Providing a tangible and tailored offer:** funded skills provision in skills need area; Business Needs Analysis and interventions, Training Needs Analysis.
- ▶ **Close partnerships** with business support services beneficial: e.g. employer engagement teams, business support services, skills provisions.
 - ▶ Whole business approach can address key concerns about retention

SKILLS PROVIDER FOCUSSED



- ▶ Range of barriers to overcome for low paid workers to access skills development:
 - ▶ **Cost**
 - ▶ **Awareness and Confidence**
 - ▶ **Flexibility**
- ▶ Wage impact more likely if skills provision is **demand led** with **employer involvement** in design and/or delivery and **clearly links to progression routes**

Summary

- ▶ Growing evidence base about implications for design and how to deliver in-work progression support
- ▶ To truly support progression requires a holistic look at employment and skills system on regional levels
 - **Strengthened partnerships** to address gaps in wider provision and pre-support
 - **Proactive referral points** to source and engage low paid workers
 - Changes to **skills provision and employer practices** more widely
- ▶ All actors need to be aligned to achieve outcomes and lasting change