

Response to Social

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Mobility Commission from the UK Commission for Employment and Skills

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A contribution to the Liberal Democrat's Social Mobility Commission.

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1 Introduction

The UK Commission for Employment and Skills (UK Commission) very much welcomes the work of the Independent Commission on Social Mobility and this opportunity to input our views on what needs to be done to improve opportunities and reduce inequalities.

In this submission to your review, we will:

- Outline the role of the UK Commission for Employment and Skills, which will highlight our common goals;
- Highlight how our productivity, employment and skills goals will also enhance social mobility;
- Highlight some of the challenges and opportunities in three areas of particular interest to us, namely: worklessness and employability; progress in work and higher level skills.
- Launched on 1st April, we are just beginning our investigations into effective policies, and we are very happy to share our emerging views here.

2 The role of the UK Commission for Employment and Skills

The establishment of the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review of skills. The UK Commission is an employer-led organisation, with Commissioners drawn from the highest levels of private, public and voluntary sectors, supported by trade union leadership.

Our challenge is to raise UK productivity and opportunity by improving employment and skills. We will provide 'independent advice to the highest levels of UK Government and Devolved Administrations on how improved employment and skills systems can help the UK become a world leader in productivity, in employment, and in having a fair and inclusive society' (UK Commission for Employment and Skills, 2008a). Some key benefits of the work of the UK Commission will be:

Increased employability for all;

- Equipping individuals with transferable and specialist skills to help people remain employed;
- The opportunity to develop further skills and to enter higher paid employment or to retrain for another career;

- And to increase prosperity for society as a whole, with employment opportunity and sustainable careers for all.

It is in this context which we submit our response.

2.1 How can the work of the UK Commission for Employment and Skills meet the objectives of the Independent Commission on Social Mobility?

As seen above, the UK Commission is charged with advising on how to improve UK prosperity and productivity through enhanced employment and skills. Enhanced prosperity in the UK would serve to enhance absolute social mobility, thus making all sections of society better off. Ultimately, this is our goal, through the development of employment and skills opportunities for all.

Our response focuses on two areas of the policies cited in your letter: education (and specifically, tertiary education, i.e., not schools or pre-schools) and employment (and specifically, ensuring people have the skills they need to get into, stay and progress in employment). Without doubt, all the policy areas you cite must work together to ultimately enhance social mobility, but in this section we will highlight some of the key employment and skills challenges the UK faces, and which we are tasked to address, and demonstrate their relevance to your objectives.

Prosperity in the UK depends on jobs and productivity. UK performance, to date, has been a function of high employment levels. The UK fares relatively well internationally in terms of employment levels (4th highest rate in the EU, 8th out of 30 in the OECD), whereas we fare much worse in terms of productivity, 10th in EU 15 and 15th out of 30 in OECD. Skills are a key lever in increasing productivity, but also in enhancing and further improving our employment record.

Over the last 10 years, the skills base of the UK has improved. 17.5 million adults are now qualified to at least Level 2, up from 16.3 million in 2002 and more people also have higher level qualifications and are able to share in the rewards and opportunities of higher skills (DIUS 2007). However, despite the improvements, nearly 5 million people of working age do not have any qualifications - and the employment rate for those with no qualifications is below 50% (Prior, 2006), compared to 75% of all those of working age.

By 2020, employment projections suggest that the situation for those with no qualifications may be even worse, as they forecast the proportion of jobs at level 4 or above may reach 42% (or 4.5 million more jobs at those levels than today), whilst the proportion of jobs requiring no qualifications could be as low as 2% (or around 2.5 million less than today) (Wilson, 2006).

The issue isn't just about ensuring people have the skills they need to *access* jobs. It is also the case that those without qualifications who are *already in employment* face skill development barriers in the workplace, as they are less likely to receive job-related training than those with qualifications. One in ten people with no qualifications had received job-related training in the previous quarter, compared to 37% of those with level 4 qualifications. Thus, opportunities for further skill advancement are reduced for this group.

It is important to enhance qualifications not just from the perspective of gaining and keeping employment, but also, the wage levels individuals can expect to earn rise with the level of qualification they acquire. For example, males with a degree can earn up to 67 per cent more than an unqualified worker. A woman with a degree can earn up to 68% more than an unqualified worker (Vignoles 2006). Though returns to vocational qualifications tend to be lower, the benefits to an individual of acquiring any qualification can increase their income, which would have the effect of enhancing their opportunities for social mobility.

However, on qualification attainment, the UK performs poorly when compared internationally. We rank 17th out of 30 countries in the proportion (35%) with no or low qualifications; 20th out of 30 in the proportion (36%) with intermediate qualifications; 11th out of 30 in the proportion (29%) qualified to level 4 and above and 20th, or 23rd, in the proportion who are functionally literate, or numerate, respectively.

We must ensure we equip people with the qualifications, skills and opportunities they need to gain, keep and progress in employment in the future. If this is not addressed, there will clearly be negative consequences in terms of social mobility, both for individuals, and also in terms of the absolute mobility of the UK as a whole.

For the UK Commission, with our overarching concern to enhance the prosperity of the UK as a whole, we are effectively concerned with shifts in absolute mobility. Lord Leitch, in his 2006 review of skills, set employment and skills targets for the UK which would have the effect of a 10% increase in the rate of employment growth (200,000 extra jobs), with workers being more productive in their jobs yielding a 15% increase in the rate of productivity growth and around £80 billion net dividend to GDP. The prize for meeting the Leitch skills and employment targets to the overall prosperity of the UK is huge (HMT 2006).

We will now progress to consider the issues and policies particular to three phases of skill development and interaction with the labour market - worklessness and employability; progress in work and higher education.

3 Worklessness and Employability

3.1 The challenge

Securing and maintaining paid employment is a fundamental determinant of social mobility. However, there are a substantial number of economically inactive people in the UK. There are also distinctive patterns of worklessness. The unemployment rate for young adults (aged under 25) is considerably higher (three times the rate) than that of older adults (Palmer et al, 2007). Further, worklessness is also geographically concentrated, and sometimes runs through several generations within families. There is also evidence that some individuals are cycling between paid work and unemployment because they are unable to maintain employment. Long-term unemployment has a negative impact in terms of individual social mobility, and it also affects the future opportunities of the children living within communities/families where levels of worklessness are high.

The reasons for these problems are complex and multi-faceted. Tackling them thus requires a range of different policy responses. The following areas are of particular interest to the UK Commission for Employment and Skills:

3.2 Ensuring people have employability skills

It is well known that educational outcomes play a crucial role in an individual's ability to enter employment and to progress up occupational hierarchies (Nunn et al, 2007). A lack of qualifications/skills is undoubtedly one of the key reasons why some economically inactive people are unable to secure employment. Although the skills base of the UK has improved over the last decade, as was noted above, it remains the case that a substantial number of people (nearly 5 million people of working age) do not have any qualifications at all. This group are much less likely to be in paid employment than those with qualifications. Further, there is also evidence that the employment rate of those with no/low qualifications has been *reducing* over the last decade (UK Commission for Employment and Skills, 2008b).

Why might this be the case? One issue is that employers' skill requirements appear to be increasing, even for the lowest level occupations. This is undoubtedly related the considerable change that has occurred in the UK economy over the past 30 years or so.

During this time, the profile of employment in the UK has changed markedly with the continued growth of the service sector and decline of manufacturing, and the expansion of professional occupations. All this has taken place alongside developments in technology that have profoundly changed the nature of work. It is often claimed that the economy is now 'knowledge-driven', and that individuals increasingly need higher level skills and qualifications to be able to compete successfully in the labour market. Whilst it is clearly not the case that all workers are now highly skilled 'knowledge workers', even many entry-level jobs now nevertheless require a range of skills - particularly in the areas of interpersonal skills such as team working and customer service, as well as in IT. In addition, what have been termed 'aesthetic skills' are also important in modern workplaces - those that relate to the way in which individuals present themselves at work - to 'look good and sound right'. These sorts of aesthetic skills are not only related to educational achievement, but also to social class background (Nickson et al, 2003, 2004). Access to even the most low level entry jobs is much more difficult for those without these sorts of basic employability skills.

In terms of what needs to be done to address this problem, there is research evidence that shows that gaining qualifications and engaging in learning *in general* enhances individuals' employability (for example LSC, 2007). However, there is also strong evidence that specially designed pre-employment training programmes targeted at improving the skills and capabilities of low skilled unemployed people are also effective. Crucially, in order for these programmes to be successful, there needs to be a clear understanding on the part of education and training providers of the sorts of skills local employers require. An emphasis on improving 'soft skills' in particular is vital if positive employment outcomes are to be achieved since these are now so highly valued by employers (see Newton et al, 2005).

A key aspect of such employment programmes also involves ensuring individuals are educated about the nature of the employment opportunities open to them. There is evidence that those that have been out of the labour market for some time tend to aspire to jobs in which they have had previous experience, or some knowledge of. In some local areas, these jobs can be in declining industries, and there is a lack of understanding about where the new opportunities are and what sorts of skills are required (Nickson et al, 2003).

The UK Commission is currently undertaking a major project which is examining good practice in terms of teaching employability skills with the aim of providing guidance and case studies for use by training providers. The project will later focus on how to embed the work developed by the project into the wider employment market on an ongoing

basis. This may include a formal recognition of the most successful employability learning programmes.

3.3 Securing employer involvement

There is strong evidence that employer involvement in initiatives targeted at workless adults can play an extremely valuable role in terms of improving the employment prospects of workless individuals.

A review of evidence carried out by researchers at the Department for Work and Pensions and the Department for Education and Skills for example, concluded that employment-based labour market programmes generally have had more impact on the initial employment chances of the low skilled than education-focused programmes (DfES and DWP, 2007). Research by Newton and colleagues (2005), again for the DWP, highlights the value of work trials in particular as a way of improving employability amongst long-term unemployed people. Work trials have benefits for both participants and employers, offering the former a chance of experience of a real working environment and the latter an opportunity to test whether the person is appropriate for the job. Subsidised work trials (such as Intermediate Labour Market projects) provide temporary waged employment for the unemployed in a genuine work environment with support to assist the transition to work, typically for those regarded the least employable. A study reviewing government programmes for unemployed people and jobseekers since the 1970s identified subsidised jobs as the most effective approach in terms of getting people into work (Tusting and Barton, 2007).

Given the clear evidence on the value of this activity in terms of getting people into work, and thus improving their future opportunities, getting more employers involved in providing opportunities to experience the 'real' workplace environment (alongside training/education-focused programmes) is a key challenge for policy makers and education/training providers. This is not an easy task given the fact that some employers are not willing to take on unemployed people on placements. A key part of engaging employers will lie in *challenging* some of their perceptions - particularly about the long-term unemployed. Several studies have found that employers have negative perceptions about this group, with some perceiving that such candidates lack any work-preparedness and are more likely to quit at short-notice (Newton et al, 2005). These employer perceptions prevent some from taking part in employability initiatives aimed at the long-term unemployed (for example by offering work placements), or recruiting people that have been out of work, and it is vital that this is tackled. But in doing so, we must be mindful of why employers hold these views and demonstrate what they can gain from widening their recruitment pool.

3.4 Tackling multiple barriers to employment

There is now some consensus that most successful initiatives to move workless adults into work in recent years are those that recognise that there are a range of barriers that prevent individuals from moving into employment. A review of policies undertaken for the UK Commission (UK Commission for Employment and Skills, 2008b) concluded that the most positive programmes were holistic, covering *all* the barriers to work faced by individuals such as those relating to health, confidence, transport and childcare issues and skills, for example, rather than focusing on just one aspect. In order to achieve this, flexible and one-to-one tailored support is essential because barriers to work vary between individuals. Another major review reaches similar conclusions (Tusting and Barton, 2007), emphasising the importance of tailored individual solutions and flexibility and responsiveness to client aspirations, noting that clients need to perceive that they have a choice and feel that they are in control of their decisions if they are to be properly engaged. The authors note that in order for this to be a success, positive, supportive relationships with advisers are essential. Relationships need to be long-term as individual aspirations and needs develop and emerge over time.

A study by Lindsay et al (2007) examined case studies of two innovative pilot initiatives targeted at unemployed people following this holistic approach - Working Neighbourhoods - an initiative that targeted a range of intensive services in localities with high levels of inactivity, and Pathways to Work - an initiative which combines employability services with cognitive behavioural therapy type approaches. The research found positive aspects to both of these initiatives. In particular, the emphasis on the role of the personal adviser in both cases enabled the delivery of more flexible and individualised services, with indications that this was well-received by clients, who also valued the commitment of the advisers and the time available to talk through issues important to them. The holistic support provided by the Working Neighbourhoods initiative, involving provision of a wide range of services through building relationships with other local agencies, was also felt to be successful.

There is evidence that programmes to engage workless individuals have in the past been most likely to work with individuals who are easiest to help, and there has been a focus on 'quick wins' - or those that are easier to place in employment (UK Commission for Employment and Skills, 2008b; Lindsay et al, 2007). A key challenge moving forward if social mobility is to be tackled, therefore, lies in ensuring programmes reach the most disadvantaged and disengaged. This is likely to mean more tailored one-to-one support and partnership working between different government departments, agencies and other organisations.

3.5 The sustainability of employment

As well as focusing on getting people into work, it is also important to ensure that individuals are able to continue to *maintain* employment. As it was noted above, there are a significant number of people in the UK that have major problems in staying in work, cycling between work and benefits. Over two thirds of the 2.4 million Jobseeker's Allowance claims made each year are repeat claims, and 40 per cent of claimants are claiming benefit again within six months of moving into employment (House of Commons, 2008). Addressing this issue represents a major challenge.

There has been little in the way of research that has looked at how long these individuals cycling between work and benefits stay in work and the reasons why they return to claiming benefit, and greater understanding is needed here. A literature review undertaken by the National Audit Office indicates that there are a wide range of reasons, including for example a lack of financial gain compared to remaining on benefits, lack of support from family and friends, problems in terms of the relationship with the employer or work colleagues, or the difficulties faced by those trying to fit paid work with caring commitments. The review also found that problems with key employability skills, particularly poor numeracy and also lack of motivation, increase the risk that a person will leave work (House of Commons, 2008). There is also some indication that the tendency of some individuals to cycle between employment and unemployment is related to the type of work that people can access - which is often poorly paid and temporary (Nunn et al, 2007). A recent report by the Institute for Public Policy Research, for example, found that low pay is an issue affecting a significant portion of the labour force, stating that more than 5 million people (23 per cent) of all employees in the UK were paid less than £6.67 per hour in April 2006 (Cooke and Lawton, 2008).

The difficulties in making the transition into work are therefore complex, and addressing them will be a key challenge for policy makers concerned with improving social mobility. Certainly there needs to be more focus on the support provided to individuals in the early days of employment, and on the types/quality of jobs people are moving into. A study by Lindsay et al (2007) of the Working Neighbourhoods and Pathways to Work initiatives, for example, found that the emphasis on the placing of clients into existing positions rather than prioritising long-term careers and sustainable jobs continues to be present, even in the most innovative programmes. A study by Belt and Richardson (2006) of pre-employment training initiatives in the North East of England also found that training providers carried out little comprehensive research tracking the fortunes of their ex-trainees, in spite of the fact that there were signs that some were leaving their jobs only a short time after securing them. Indications from local employers were that at least some

of those graduating from training courses had experienced difficulties making the transition to work, particularly in handling the pressures of the work environment. This points to a need for targets for training providers that reward the sustainability of jobs and the 'distance travelled' by participants, rather than simply securing employment, and also the need to provide on-going support with the transition to work.

3.6 Priority areas for policy action include:

Reducing worklessness by:

- Developing pre-employment programmes that mean people have the key skills that are needed by today's employers;
- Involving employers in developing work-based solutions;
- Providing holistic and tailored support to long term unemployed;
- Ensuring a focus on sustainability of employment.

4 Progression in Work

4.1 The challenge

As well as initial access to employment, the issue of progression *within* work, or occupational mobility, is a crucial determinant of social mobility as it relates the extent to which individuals are able to reach their full potential in the workplace. There is evidence that there are some groups that face particular barriers to career progression in Britain, with patterns of disadvantage long-entrenched. The UK Commission is particularly interested in improving the opportunities of one of these groups, namely low skilled workers. Of concern here are the issues of access to training and development opportunities for the lowest skilled employees, and also ensuring that there are sufficient opportunities for employees to use and further develop their skills at work and progress up career ladders.

4.2 Improving in-work training opportunities

Low skilled individuals face significant barriers to career progression, often struggling to progress out of lower grade job positions. Although there are a variety of reasons for this, one key problem is the lack of opportunities in many lower level jobs for training and development, which normally provide individuals with the skills, knowledge and confidence to move up the career ladder.

Research has consistently shown that the lowest skilled workers in the UK tend to receive less training than their higher skilled colleagues (see for example the National Employer Skill Surveys carried out in the four UK nations). Further, studies also show that little

change has occurred over recent years in the extent to which different groups in the labour market receive job-related training, suggesting that this is a deep-seated issue that will require concerted action over a long period to address (see SSDA 2006).

The lack of occupational mobility and training opportunities for low skilled individuals is now widely recognised as an issue amongst policy makers. The government has responded to the issue by developing policies such as Train to Gain in England, which is focused on increasing employer awareness of the training options for low skilled staff, and increasing the attainment of intermediate qualifications amongst this group. The aim has been to remove some of the financial barriers that prevent employers from providing training to this group of workers, with the broader objectives of improving the national skills profile and productivity. Until recently, the focus was on offering Level 2 qualifications. However, in the light of evidence from a number of studies that the returns in terms of career progression and earnings from Level 2 qualifications are negligible or non-existent (UK Commission for Employment and Skills, 2008b; Page, 2007), there has been a shift in emphasis to promoting Level 3 qualifications. The Leitch Review recommended an aspiration to 1.9 million more people achieving Level 3 by 2020. This focus on the achievement of intermediate level qualifications (particularly to Level 3) is important as there is solid evidence that improving skills to this level has a positive effect on career opportunities and income levels (DWP, 2008).

It is also important to note that the worth of any qualification in the labour market is of course determined by the value that employers attach to it. Research shows that returns in terms of income tend to be higher for academic qualifications than for vocational qualifications at intermediate levels. It is thus important to ensure that the reform of vocational qualifications leads to a better range of qualifications that are more highly valued by employers, and hence give those individuals obtaining them better returns in terms of income and career progression.

However, qualifications are not the only focus for policy action in terms of improving the situation of low skilled workers. Research has shown that many low skilled individuals face barriers to training, and report a lack of time, motivation, information and cost as reasons for not undertaking training (DWP, 2008). In this context, there is evidence that post-employment intervention targeted at the low skilled such as provision of in-work support using advisers or job coaches to help individuals progress in their jobs is valuable. An evaluation of the Employment Retention and Advancement Programme, undertaken by the DWP found evidence for the need for such support, given the many barriers that the low skilled face which make progression in work difficult (such as skills issues and juggling work with caring responsibilities for example) (see Hoggart, et al,

2006). The study also concluded that in-work support programmes need to be sensitive to individual preferences and positions, recognising that there are different ideas in terms of advancement, and that not all individuals will want to move up career ladders.

However, more information is needed about the barriers and challenges facing the low-skilled in accessing career-enhancing training to see to what extent these can be lessened or removed. This will be a focus of a UK Commission project beginning later this year investigating employee demand for training.

4.3 Ensuring better skill utilisation

An emphasis on training and the attainment of qualifications amongst the low skilled is undoubtedly important in terms of increasing opportunities to progress in the workplace. However, it is crucial that as well as focusing on the supply of skills, attention is paid to ensuring that there is sufficient employer *demand* for these skills. In other words, it is vital that employers give their staff the opportunity to *use* and further develop their skills if individuals are to be given a real chance to move up career hierarchies.

There is a general concern about the ability of the UK's managers and leaders in terms of the level of skills they demand of their employees, especially in smaller businesses (UK Commission for Employment and Skills, 2008b). Recent changes in the economic structure and nature of jobs also give cause for concern in this area. In particular, there is an on-going debate about the quality of work in the UK. Much of this discussion has focused on the extent to which recent economic and technical change has led towards a 'polarised' or 'hourglass' economy in the UK, with an increase in the numbers of high skilled/well paid and low skilled/poorly jobs, and a reduction in the number of middle-level/average pay jobs (see DWP, 2008). It has been argued that although there has been an *overall* increase in the quality of employment in the UK, there are also a growing number of people employed in low skill, low-paid jobs, particularly in the service sector (see Kaplanis, 2007). It has been argued that many of these jobs offer few opportunities to utilise a range of skills, and little in the way of progression opportunities, and are thus effectively 'dead-end' jobs. These jobs are associated with what has been termed a 'low road' business strategy, which is focused on a low skill, low cost approach.

Although issues relating to skill utilisation in low paid employment mainly concern low skilled individuals, it is also the case that there are also increasing numbers of graduates (often those from the most disadvantaged backgrounds) becoming trapped in unsuitable jobs with few prospects (Nunn et al, 2007).

The progression of individuals in employment then, depends not only on the individuals improving their skills levels, but also in part on the willingness of *employers* to give

individuals the opportunity to use and further upgrade their skills. It is therefore important that policy makers, as well as looking at improving the skills held by employees, consider ways of challenging 'low-road' business approaches, and encouraging employers to better utilise the skills of their staff. Achieving better skills utilisation in the workplace and raising employer demand for skills is of key interest to the UK Commission, and will form the focus of a major research project during the next twelve months.

4.4 Priority areas for policy action include

Improving the opportunities for progression in work by:

- Continuing the focus on improving the participation in intermediate qualifications amongst the low skilled;
- Providing high quality, sustained and tailored in-work support to low skilled workers to help them progress their careers if they want to;
- Gaining a better understanding of the barriers to training faced by low-skilled workers;
- Raising employer demand for skills and ensuring better skills utilisation in the workplace.

5 Higher Education

5.1 The Challenge

As mentioned above, much of the forecast growth in employment in the next few years will be in the higher skilled occupations which typically require higher skills and higher qualification levels to enter. Leitch (HMT 2006) asserts that 'high level skills are becoming increasingly important in the global economy. They drive growth, facilitate innovation and are crucial for world-class management and leadership'. It is imperative that the supply of skills is able to keep pace with demand to enable the UK to compete in an increasingly competitive global environment.

The National Audit Office (2008) reports that socio-economic background appears to affect participation rates over and above other factors, such as gender and ethnicity. White people from lower socio-economic backgrounds are the worst represented groups in higher education. The principal explanation for this is low achievement by pupils in schools and socio-economic background has a strong influence on attainment at school.

The OECD (2007) examines socio-economic status of students enrolled in Higher Education as a gauge of accessibility to higher education for all. They found that students

in England and Wales, whose fathers had completed Higher Education, were twice as likely to be in Higher Education as students whose fathers did not complete Higher Education.

Again, the reasons for these participation rates are complex and initiatives to tackle them tend to be less intensive than those to acquire lower level skills, in part due to the larger returns to qualifications at this level and the principle, set out in Leitch, that the bulk of the investment should therefore be borne by individuals, with the State supporting those in greatest need. The following policy areas are of particular interest to the UK Commission for Employment and Skills: widening participation through entrance and experience of higher education and engaging employers in higher education.

5.2 Widening participation – entrance to higher education

We will consider entrance by looking at general efforts to enhance equitable access; access through vocational routes and flexible provision.

5.2.1 Equitable access

Ensuring equitable access to higher education is a key government aim, especially in light of targets to increase the general proportion of young, first time entrants to higher education and a specific target in England to narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers. The introduction of tuition fees may have expected to reduce the proportion of people from lower socio-economic backgrounds entering higher education, but in a recent report, the National Audit Office (2008) state there has been little research into the impact of tuition fees on those who may have considered but not applied to higher education. We will see, below, that financial concerns are certainly a factor in attitude toward higher education. A better understanding of this issue with regard to tuition fees may improve the effectiveness of initiatives designed to improve participation.

One such initiative is 'Aimhigher', which seeks to engage and motivate students who have the potential to enter higher education but are under-achieving. Most activities take place at a local level, are targeted at the 14-19 age range and include activities such as Campus visits; mentoring programmes and residential summer schools. However, there is little evidence to suggest that it has made a significant positive contribution. For example, Morris and Rutt (2007) found that while participants in Aimhigher initiatives were likely to have previously held negative views about higher education which were turned into positive views, they did not find evidence that this translated into higher levels of actual participation.

5.2.2 Vocational pathways

Strengthening the vocational entry route to higher education has been seen as an important means of widening participation and offering access to higher education to people disengaged from academic learning models. These routes also have the advantage of perhaps appealing to adult learners. With three quarters of the 2020 workforce already having left compulsory education, we need to ensure that lifelong learning and skill development takes root and vocational pathways offer a contribution to this.

For example, in 2001/02, two year Foundation Degrees were introduced in England, Wales and Northern Ireland. They aim to integrate academic and work-based learning through close collaboration between employers and programme providers. They have a strong vocational element and generally involve flexible learning methods. Whilst there is some evidence that Foundation Degrees have been successful in attracting students that would not have accessed higher education before (York Consulting, 2004), overall, there is a lack of evaluation evidence with regard to their effectiveness in this area. In Wales, the Welsh Assembly Government skills consultation paper proposed that while higher education institutions will be free to develop Foundation Degrees, this should not be at the 'expense of other types of provision (e.g. Higher National Diplomas) that already have strong employer recognition' (Welsh Assembly Government, 2008).

5.2.3 Flexible provision

Widening participation is also about ensuring learning opportunities are consistent with the needs of individual students. Many more students now study part-time, the number having doubled from 285,000 in 1994/95 to 592,000 in 2005/06. But also, fees for younger people and access for mature students mean that student mobility has decreased over recent years. For example, the NAO reports that the proportion of full time, first degree students living with their parents increased from 12% in 1995/96 to 20% in 2004/05. The NAO also report that many first generation entrants are unwilling or unable to move away from home to study. DIUS have announced a new policy of 'the new university challenge' to provide higher education in areas of under provision.

But are these kinds of interventions adequate to address the barriers to higher education faced by low income groups? Pollard (2008) identifies a range of barriers to access amongst working adults who have not experienced higher education in addition to (but probably associated with) socio-economic and educational background, namely, attitudinal barriers; financial barriers; geographical factors; other structural barriers such as caring responsibilities; policy and institutional barriers - including a lack of IAG for

adults and inflexibility in provision. Heath et al (2008) argues that little research has been done into the motivations of adults who have a level 3 qualification, but no experience of higher education. They assert the importance of they assert the importance of social networks in influencing attitudes to higher education and the challenges of over-coming attitudes such as 'education as a struggle' to people from lower socio-economic groups.

Even if access barriers are being or can be addressed, does it ensure an equitable experience of higher education for those from lower income groups?

5.3 Widening participation – experience within higher education

Each higher education institution has benchmarks representing the expected participation amongst under-represented groups. Post 1992 institutions generally perform at or above their benchmark, but the English Russell Group institutions generally perform at or below their benchmarks (NAO 2008). Research also suggests that students entering higher education from a vocational route are more likely to enrol at post 1992 universities, which have lower Research Assessment Exercise results. They are also more likely to study more applied than academic subjects. There are differences in wage premia connected with degrees in different subjects, but while there are no clear patterns in the returns to students with different prior qualifications, this may be because the subject groups are broadly defined and a more detailed analysis is needed to assess the extent to which prior qualifications impacts on post-degree earnings and, thus, the impact on mobility for these students (Hoelscher, 2008).

Researchers in Scotland assert that higher participation rates amongst disadvantaged groups may mask 'hidden disadvantage' as they may be enrolling in less advanced or prestigious courses (Forsyth 2000). Crozier et al (2008) cite NAO evidence which states that universities that have the most success at widening participation also have the worst drop-out rates. Thus, as well as ensuring access to higher education, if it is ultimately to have a meaningful impact on an individuals life chances, there is a need to identify people who would benefit from on-going support and mentoring through higher education. Crozier et al assert that many working class students are 'time poor', fitting in a degree around employment, care and family commitments. They also argue that for first generation higher education participants, on-going support is vital to help them stay in higher education and to take advantage of the social and cultural capital they can acquire through higher education. Indeed, she suggests that these students do not always understand the wider benefits they can attain from higher education attendance, in addition to the qualification, which middle class students are much more likely to be aware of.

5.4 Engaging Employers

Finally, we will consider the importance of engaging employers in this issue, with regard to access; curriculum design and skill utilisation.

5.4.1 Access to higher education through work

Encouraging access to higher education amongst the working population, including those with lower level qualifications, to study and progress will require collaboration between higher education institutions, employers and employees. Efforts to improve access to higher education amongst the working population must be cogniscent of the considerable barriers to higher education faced by older workers, and particularly first generation participants, and find ways to encourage employers to facilitate access to higher education for their employees, taking into consideration the barriers which employers may face in supporting their staff to this level of qualification. Some commentators have argued (e.g. Fuller, 2006) that despite the growing appeal of higher education through part time courses to older students, policy makers have largely ignored this trend and concentrated on rectifying under-representation of young people from disadvantaged backgrounds. Whilst we would agree it is important to support disadvantaged young people, there are two factors to consider here: a) if we are to meet the Leitch targets for higher level skills, we cannot rely on a declining supply of young people and b) older people may also be, or become, parents and we have seen from the OECD study the importance of having parents who have completed higher education. The Right to Request time off for training, which is in consultation in England at the moment, may have important implications in this area.

5.4.2 Curriculum design

Engaging employers in the design of higher education courses to ensure the skills acquired are relevant in the world of work. As well as appropriate delivery mechanisms, we believe it is vital that the courses provide 'economically valuable skills', which can be steered by employer involvement. Courses which come with strong employer endorsement and demonstrable career and earnings progression opportunities may encourage more people from lower income backgrounds to participate in higher education. Employers do express concerns about the relevance of the skills and knowledge acquired by graduates to the needs of the modern workplace. Closer collaboration can help address this and Sector Skills Councils are well placed to mediate these collaborations. The 14-19 Diploma Development Partnerships, comprising SSCs, employers and higher education institutions provide the type of platform that might be developed further to ensure the relevance of higher education provision. In England, the

government also proposes accrediting employers own training to higher levels as a means of supporting expansion.

5.4.3 Skill Utilisation

Finally, and as with lower skill levels, it is important that employers are in a position to make effective use of the enhanced skills they can access through improved skill levels in the workforce. This relies on strong management and leadership skills to ensure we make the most advantage of the increased skill levels we have seen, and want to see more of in the future.

5.5 Priority areas for policy action include

Improving the opportunities for higher education attainment by:

- Developing support mechanisms for students from lower socio-economic backgrounds to enable them to stay and succeed in higher education;
- Provide opportunities for progression in work which take account of the 'time poor' characteristics of many working class adults, to break family histories of non-participation in higher education;
- Engage employers in curriculum design, in providing training opportunities and in the use of skills in work.

6 Summary and Conclusions

To summarise, there is considerable evidence of long-standing inequitable access to labour market and education opportunities in the UK. In these conclusions, we will highlight what we think are some of the key themes for consideration. The UK Commission for Employment and Skills is newly formed, thus, we know there is more work to do in developing more considered advice on effective policy interventions in this area.

We are clear though, that we must ensure we equip people with the qualifications, skills and opportunities they need to gain, keep and progress in employment in the future. If this is not addressed, there will clearly be negative consequences in terms of social mobility, both for individuals, and also in terms of the absolute mobility of the UK as a whole.

We conclude with some general points for consideration:

- Intervention in employment and skills is important because it impacts on an individual's whole life chances and also has broader benefits for society as a whole;
- Intervention needs to be specific to the level people are at and want to move to, and recognise challenges people face, some will want to move incrementally - not just into employment, but sustained employment; not just qualifications, but to the highest level possible;
- There are issues, which we have not dealt with in this paper, regarding multiple disadvantage and the additional barriers and challenges, well-documented in the evidence, faced by people with disabilities; caring commitments; black and minority ethnic groups; older people and labour market and employment access opportunities for women.
- The need for holistic and tailored support to fit the diverse needs of people to help them progress. This is important, though resource intensive, if are to move even beyond participation to attainment and application.
- There is a need to ensure that everyone has equal access to information which can help them make informed decisions about their opportunities - from employment opportunities in their local area, to the social capital opportunities at university.
- Engage employers in the acquisition and use of improved skills in the workplace to enable the UK as a whole to take advantage of the skills and employment opportunities and in so doing, understand that no single approach will work for all employers on all issues;
- However, we do not currently believe there is the requisite evidence to point to what policies are most effective and, crucially, in what contexts, which would enable us to identify the best way of allocating resource. There is a need for more consistent and informative evaluations of initiatives to inform this debate.

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