

Step Up

Trialling new approaches to support low-paid workers to progress their careers

Trust for London, the Walcot Foundation and Learning and Work Institute (L&W) collaborated to design a pilot initiative, *Step Up*, trialling new approaches to help low-paid workers progress in their careers and move into better work. 540 people were supported over two years. L&W were commissioned to evaluate the pilot's first two years of delivery and to draw lessons for commissioning and delivering in-work progression (IWP) support in the future.

Key findings

- There was limited awareness of in-work progression (IWP) support among potential referral partners and participants, which made recruitment challenging. Most participants were recruited via networks, either through partners, providers' other services or word-of-mouth. Providers who were more strongly embedded in their local community and well-networked locally were most effective at recruiting participants.
- The messaging of IWP support to potential participants was critically important. Messages that avoided jargon; focused on the desire for change; presented clear, tangible outcomes and a clear pathway and timescale; and emphasised personalised and specialist support, were found to be most effective.
- Effective support on Step Up was: i) flexible and tailored to the aspirations, capabilities and needs of individual participants; ii) co-ordinated with wider support and provision to address career goals, meet support needs and overcome barriers; and iii) able to support participants to prepare for, find and take up new jobs.
- 179 people (33%) achieved an employment outcome, most commonly starting a new job. The median increase in hourly wage, among those achieving an outcome, was 15%, highest for those who secured a promotion. The median increase in weekly earnings was 42%, highest for those who took an additional job. On average it took 5.3 months to secure an outcome.
- 23% of people achieved at least one of the Step Up targets. 17% increased their hourly wage by 10% or more; 14% increased their hourly wage to at least the level of the London Living Wage (LLW); and 15% achieved a weekly earnings target of 36 hours x LLW (or 16 hrs if a lone parent).
- A wide range of soft outcomes were reported by participants including: greater confidence and motivation; employability skills; technical skills and qualifications; career management skills; and labour market knowledge. Some of these may be converted into increased earnings in the future.
- A comparison of weekly earnings change with a matched comparison group from the Labour Force Survey showed Step Up participants improved their earnings, on average, £1.01 more per week than the comparison group. This was not statistically significant.
- In order to achieve a positive return on investment, each of the 540 Step Up participants would need to improve their weekly earnings by £4.66 more than a comparison group on average, or the IWP provision would need to engage a much larger number of people.

The Step Up initiative

Step Up was launched in October 2015, delivered by six voluntary sector organisations, each of which designed a distinct support model or targeted a specific group of low-paid workers. Delivery will continue until September 2018. These findings cover the first two years of delivery.

Step Up Providers

- The Creative Society - *Supporting young people working in the creative & cultural sectors*
- High Trees Community Development Trust - *Supporting the local community, in particular lone parents and people aged over 50*
- Indoamerican Refugee and Migrant Organisation (IRMO) - *Supporting Latin American workers, focusing on those working in cleaning*
- The Springboard Charity - *Supporting workers in the restaurant and hospitality sector¹*
- Thames Reach - *Working in partnership with Clean Slate to pilot digital engagement with low-paid workers*
- Women Like Us (part of Timewise Foundation) - *Supporting parents, through enabling access to better paid part-time and flexible jobs*

To be eligible for Step Up, individuals needed to be in stable work and on low pay, defined as an average hourly wage below the London Living Wage (£9.15 per hour at the start of the programme).

Step Up projects offered support to help participants improve their earnings. In all projects, a specialist adviser or coach provided tailored, one-to-one support to participants, which included setting goals and developing action plans, identifying support needs, help with looking for additional or better work, practical support and onward referral to wider services and partners. A key feature of Step Up was support packages targeted to particular groups, such as flexible jobs brokerage for working parents (Timewise), a construction course delivered in Spanish for low-paid Latin American workers (IRMO), and networking events with industry specialists for young people in the creative sector (Creative Society).

Recruiting participants

Recruiting participants onto Step Up was a key challenge, due to limited awareness and understanding of this type of support on the part of partner agencies and potential participants, as well as time constraints faced by working participants.

The most effective recruitment mechanisms were trusted networks. Most people were recruited either through partner organisations, from within the providers' own services or through informal word-of-mouth. Consequently, providers more strongly embedded in their local community and well-networked were able to do this most effectively.

Jobcentre Plus (JCP) played only a limited role in recruitment for Step Up, mainly due to Step Up starting prior to Universal Credit (UC) Full Service rolling out in the area. The Step Up eligibility criteria (of 12 months in stable work) also excluded some JCP clients who had only recently started work. However, JCP is likely to form an important referral source for future in-work progression programmes, since this support can potentially help UC claimants with in-work conditionality requirements.

The pilot found effective messaging of Step Up, and tailoring this to participants, partners and employers, was crucial to effective engagement.

¹ This project only delivered for the first 18 months of Step Up. For this reason, their data is excluded from the outcomes analysis.

Messaging to engage low-paid workers

The type of messages that appeared to work most effectively for recruiting low-paid workers were:

- Avoiding jargon - the term 'progression' could be too complex; messages that focused on '*earning more*', or improved '*quality of life*' or '*work-life balance*' worked well;
- focusing on participants' starting situation and what they desired to change;
- focusing on clear, tangible outcomes and a clear pathway and timescale to achieve them;
- providing clarity about eligibility and presenting the support offer as specialist and tailored to the individual, rather than generic;
- a person-centred approach and introducing the Step Up message gradually;
- supporting the message through providing testimonies from past participants.

Step Up participants

In total, 540 participants registered on the pilot. Compared to the population of low-paid workers in London, participants were more likely to be female, from an ethnic minority and to be highly qualified (to degree level). This reflects the specific focus and target groups of the six providers and the locations where delivery took place², but may also reflect a distinct attitude or appetite for progression within these groups.

Participants had a range of goals on joining the programme and faced a range of barriers to improving their earnings.

Barriers to progression

- Lack of understanding of what was required in order to progress or find better jobs;
- Not possessing relevant qualifications or skills, including English language ability;
- Lack of relevant work experience;
- Insufficient time to dedicate to their personal development, accessing learning opportunities, or applying for jobs;
- Childcare responsibilities and/or a lack of available 'family friendly' employment options;
- Limited confidence and motivation to take steps to progress, particularly as in-work participants faced a 'riskier' transition than unemployed participants;
- Poor confidence and motivation could be exacerbated by poor mental health (often undiagnosed).

Delivering in-work progression support

Key features of Step Up support that were felt to be most important to achieving outcomes included:

- **A personalised approach**, based on individual need rather than following a prescribed process;
- **One-to-one adviser support** delivered flexibly to suit participants' availability, including out-of-hours support, and using a range of delivery channels;

² Primarily in Inner London, with over half of participants resident in Lambeth.

- **Coaching and mentoring** support to develop participants' **motivation and confidence**, which were important in sustaining engagement and enabling progression;
- **A holistic focus of support** to address employability skills alongside wider circumstances and challenges (e.g. with housing, debt or benefits);
- **Partnership working** with skills and training providers, specialist provision and intermediary organisations with links to employers.

On average, participants received 11.2 hours of support in total from Step Up, and an average of one hour a month of one-to-one support.

Distinctive elements of IWP support delivery

- *Recruitment can be challenging and time-intensive*, due to limited awareness and understanding of this type of support on the part of both partner agencies and potential participants, and because low-paid workers are less easily identifiable than people out of work.
- *It can take a lengthy period to achieve outcomes*. As people in work have less time and are more risk averse, they will be more selective and so it takes time to find the right next step for them.
- *Advisers or coaches supporting in-work progression need to have a range of skills* – including being adept at encouraging/supporting individuals to make the next step, and mapping out career paths across potentially diverse target sectors.
- *Support delivery is resource-intensive* due to the need to provide flexible or out-of-hours services, which increases costs, and the difficulties in delivering group-based provision. One-to-one support is likely to be required, and best delivered face to face.
- *Individuals still need support in basic employability skills* (e.g. CVs, interview skills, applications, job hunting) even though they are in work, particularly for accessing higher-paid or better quality jobs.
- Ongoing support to ensure *the sustainability of outcomes* is important given the level of risk in the transition into a new role. If not properly managed, this could result in participants leaving the labour market.

Challenges and support gaps

Effective partnership working on Step Up was sometimes constrained by:

- Limited adviser time to develop partnerships;
- Flexibility of wider provision to support working people, for example skills provision that could be accessed flexibly to fit with participants' working schedules;
- Specific eligibility rules, cost and suitability of existing provision;
- Gaps in the provision of wider support for working participants, such as mental health support and affordable childcare provision.

Additional support elements to enhance future IWP provision include:

- support converting overseas qualifications;
- self-employment advice;
- greater work experience opportunities in desired sectors;

- more specialist jobs brokerage focused on better quality jobs;
- financial guidance on the impact of any work changes on benefit receipt.

Engaging employers

Step Up projects were predominantly client-facing. However, employers were engaged in several ways, including to place participants in jobs, to source training/mentoring opportunities, and working with employers to improve the accessibility of progression pathways.

Being able to offer employers a high quality recruitment service, with candidates that had been screened and prepared for the application process, that were in employment and had recent experience of the workplace was a key selling point of the programme for employers. Making use of existing employer contacts to enhance the support offer, e.g. employer-delivered employability workshops, or networking events with industry specialists, also added value to the support offer and enhanced participant engagement.

For engaging employers as partners in progression initiatives, the messaging was critical. This needed to communicate clearly how the business would benefit from the support offer, and how it would align with existing mechanisms and processes for staff development. It was necessary to present a tailored business solution, rather than a pre-established support offer.

Outcomes

One third of participants (179 individuals) saw their employment improve while on Step Up, either by taking on a new or additional job, getting promotion in their current job, improving their contract or terms and conditions or improving their working hours. By far the most common outcome was getting a new job (61% of outcomes). On average, it took participants 5.3 months to achieve their first outcome.

- **17% increased their hourly wage by more than 10%;**
- **14% increased their hourly wage to the London Living Wage or above;**
- **15% increased their weekly earnings to above the London Living Wage** for 36 hours a week (or 16 hours a week if a lone parent);

The median increase in hourly wage, among those achieving an outcome, was 15%, highest for those who secured a promotion. The median increase in weekly earnings was 42%, highest for those who took an additional job.

Step Up participants also improved the security of their employment: a fifth of participants who started the programme on either a zero hours, temporary contract or no contract moved onto a permanent contract.

Participants rarely viewed 'progression' solely in terms of financial gain. Progression could encompass a range of factors, such as distance to work, more suitable hours, opportunities for training and job stability, as well as earnings, and people balanced these elements differently. For example, some participants saw improved earnings alongside other positive impacts, such as financial independence and better health and wellbeing. Others opted to take jobs with lower weekly earnings in order to achieve a better work-life balance.

Participants who did not obtain an employment outcome reported a range of soft outcomes which could put them in good stead for improving their earnings in the future. These included: improved confidence and motivation; personal development; employability skills; technical skills, qualifications and experience; career management skills; and labour market knowledge and awareness of employee rights.

Impact and return on investment

To assess the additional impact of Step Up against 'business as usual', participants' weekly earnings change was compared with a matched comparison group from the Labour Force Survey over a 12 month period. This analysis showed that Step Up participants improved their earnings, on average, £1.01 more per week than the comparison group. However, this was not statistically significant. Thus the analysis does not show a significant difference in earnings over and above what would have happened without the programme.

In order to inform future commissioning, a Cost-Benefit Analysis (CBA) was conducted to show what level of additional impact would need to be observed for a financial return on investment to be achieved. This showed that each participant would need to improve their weekly earnings by £4.66 more than a comparison group, on average, in order to achieve a positive return. This could be achieved by IWP support reaching a larger number of people and/or increasing the earnings of those engaged by a greater extent.

In future initiatives, this might be achieved through economies of scale, with a smaller number of providers and larger caseloads, but there are trade-offs involved, as this could sacrifice the specialist and tailored support that was widely seen as central to both engagement and outcomes in Step Up. Ensuring that referral and wider support partnerships are in place from the outset, so that advisers are able to focus their time and resource on the delivery of support, could also reap additional benefits.

It is also important to keep in mind that the CBA is based only on one measure of progression (weekly earnings improvement over a 12 month period), and there may also be a trade-off between short-term earnings gain and longer-term sustainable career progression. The assessment of Step Up's impact will be repeated after the third year of delivery.

Recommendations for future in-work progression support

1. There should be greater investment in tailored, personalised and adviser-led in-work progression support.
2. Delivery of IWP support would need to be facilitated by increasing awareness of support and co-ordinating efforts at a local level to identify and engage participants.
3. For IWP support to be effective, programme commissioners, stakeholders and delivery partners should work together to map and engage support services and where possible, plug potential gaps in delivery.
4. Commissioners and stakeholders should explore ways of building on client-led models of IWP support, with more employer-facing support.
5. Step Up has suggested there is value in using a 'basket' of success measures and this should be considered for future provision. There is also a need for further testing of the effects of different combinations of outcome measures and payment models on the achievement of outcomes and impact.
6. There should be greater investment in supporting efforts to understand, share and promote good practice in commissioning, delivery and evaluation of IWP support.

Trust for London: www.trustforlondon.org.uk

Walcot Foundation: www.walcotfoundation.org.uk

Learning and Work Institute: www.learningandwork.org.uk

The full evaluation report is available at: www.trustforlondon.org.uk/issues/work/step/