

Staying in work and moving up: Evidence from the UK Employment Retention and Advancement demonstration

By Lesley Hoggart, Verity Campbell-Barr, Kathryn Ray and Sandra Vegeris

Employment Retention and Advancement (ERA) programmes are designed to help support low-paid workers and help them progress in work. However, the complex lives and diverse aspirations and perspectives of participants in such programmes can make it difficult to provide suitable assistance. This study addresses this challenge by exploring the relevant in-work experiences and attitudes of a sample of participants in the UK's ERA programme, a large research demonstration project currently testing the effectiveness of a new approach to post-employment support. This report is one of a series being produced as part of a comprehensive evaluation of ERA¹.

Drawing on qualitative evidence collected through 170 in-depth interviews with ERA customers, the report focuses on factors significant to work retention and advancement that any in-work support programme, like ERA, would need to anticipate and address. This is a rare employment study on low-paid workers in the UK because it shifts the research emphasis away from work readiness and work entry and focuses instead on concepts of retention and advancement. In doing so, it offers a foundation for understanding the receptivity of low-paid workers to attempts to improve their labour market position through post-employment interventions.

The respondents in this qualitative study come from the three groups that are eligible for ERA:

- out-of-work lone parents entering the New Deal for Lone Parents (NDLP), a voluntary programme providing work-entry support to lone parents receiving Income Support;
- individuals aged 25 and over who have been unemployed for 18 months and receive Jobseeker's Allowance entering New Deal 25 Plus (ND25+), a programme providing work-entry support;
- lone parents working 16 to 29 hours a week and receiving a wage supplement through Working Tax Credit (WTC).

The respondents came to the programme with a range of work histories, family circumstances, and other characteristics that could affect their participation in the labour market. The study explores how these factors, in combination with respondents' attitudes and orientations to work and to caring responsibilities, contributed to their experiences in work and also to their views of work retention and advancement.

The ERA programme and evaluation

ERA is a demonstration project that began serving customers in 2003 in six Jobcentre Plus districts in England, Scotland, and Wales. It was conceived as a 'next step' in welfare-to-work policy, designed to help break the 'low-pay, no-pay cycle' common among low-wage workers. Whereas the current New Deal programmes concentrate on placing unemployed people who are receiving benefits into work, ERA aims to keep them working longer and help them

¹ The evaluation of ERA is being conducted by a research consortium involving the Policy Studies Institute, the Office for National Statistics, the Institute for Fiscal Studies, and led by the US-based social policy firm MDRC.

advance. As a demonstration project, candidates from the three groups of customers eligible for ERA – ND25+ customers, NDLP customers, and WTC lone parents – were assigned randomly to a programme group that was offered ERA services, or to a control group that remained entitled to the usual Jobcentre Plus services. ERA customers were offered employment-related assistance from an Advancement Support Adviser for 33 months to help them find suitable work, solve work-related problems, and advance in their jobs. Customers working 30 hours a week or more are eligible for a tax-free work retention bonus paying up to £2,400 over their time in ERA, irrespective of their other in-work tax credits. More financial support is available for training and to help with emergencies. The evaluation will determine whether people in the three target groups receiving ERA services remained in paid work longer, received better pay and conditions, and experienced improvements in other life outcomes compared with their counterparts in the control group.

Key findings

- **The ‘barriers to employment’ that make it difficult for many lone parents and long-term unemployed people to enter work do not disappear when they get a job. Some persist or recur.**

For some respondents, staying employed required a continuing struggle with the same skill deficits, caring responsibilities, or other personal circumstances that made the transition into work difficult. Men who had unstable work histories of manual labour appeared to struggle the most. Many of them believed that the biggest threat to their employment retention was the scarcity of ‘good’ jobs in the local labour market and the predominance of temporary contract work. For lone parents, difficulties retaining employment centred on childcare responsibilities and the breakdown of care arrangements, as well as dissatisfaction with working conditions, hours that made it hard to balance work and family life, and the cost and distance of travel to work. Lone parents with more experience of steady

work (mostly WTC customers) had fewer problems retaining jobs but they encountered challenges when they tried to balance training with work and family or when they changed employers.

- **The meaning of advancement and the priority placed on it varied greatly among customers. Those who wanted to advance also had differing time scales for advancement.**

Respondents’ understandings of advancement included improvements in pay and working conditions, being promoted to a position with more responsibility, and achieving job satisfaction. However, customers differed in how they defined advancement for **themselves**. Many viewed it in terms of job satisfaction rather than moving up the ‘career ladder’. Male ND25+ respondents often spoke of a desire for permanent, stable work, whilst lone parents often aspired to job satisfaction and a better work-care balance.

- **Customers could be divided into those who had positive, ambivalent, or negative approaches to advancement. Those whose views were positive mainly wanted promotions, more money, extra responsibilities, or a more secure job.**

Some customers wished to advance where they were and others wanted to move into a different job or sometimes a different field. Some preferred to increase their working hours but without taking on extra responsibility; others wanted to advance only within self-defined limits. Some customers, mainly lone parents who prioritised their role as carers, were committed to advancing, but preferred to delay it until their family was ready.

- **Some customers’ attitudes towards advancement were ambiguous or ambivalent.**

These customers did not rule out the idea of advancement; rather it seemed irrelevant to them at the time of the interview. They generally were unsure about their future plans. Some viewed securing a permanent job as a

significant accomplishment, and prioritised retention over advancement. Some workplaces offered few opportunities for career mobility, and some customers did not like their jobs or the people they worked for. Still other customers were focused primarily on their caring responsibilities.

- **Some customers rejected the notion of advancement for themselves, or were completely indifferent to it.**

Among these customers there was a strong theme of dislike for managers or supervisors; hence they did not want to advance if it meant assuming such roles. This view was often connected to a strong identity as a manual worker. Other reasons for customers' indifference or negative attitudes included prioritising caring responsibilities, not being 'ambitious', or feeling they were too old to advance.

- **How customers responded to problems of retention or opportunities for advancement related to their orientations towards work and care.**

Customers responded to the same barriers and opportunities in very different ways, influenced by how they perceived the role of work in their lives. For example, those who had an **intrinsic** work orientation, that is, a desire to work based on an interest in the work itself, were often favourable towards advancement and were most likely to define it as progressing in a job that they enjoyed. Those who were more focused on the financial benefits of working (an **instrumental** orientation) were likely to define advancement as better pay. Whilst some were positive towards advancement, others prioritised stable employment. Customers who emphasised the **social value of working** and put care for their children first had mixed feelings about progressing at work and taking on more responsibilities.

- **Customers' orientations to work and attitudes to advancement are likely to change considerably over time.**

Work and care orientations and perspectives towards advancement are not fixed, and

changes in customers' circumstances and their experiences in work could affect their views and actions. Firstly, attitudes towards work and advancement changed alongside life course changes. For example, as their children grew older and more independent, customers' attitudes towards advancement could become more positive, whilst customers reaching the end of their working lives often expressed more indifference to advancement. Secondly, attitudes changed alongside experiences in work, so that those in steady work, who had successfully managed the initial transition and had established an acceptable work-care balance, often developed a more positive view of advancement.

- **Although there was considerable variation within each of the three customer groups regarding work and care orientations, strategies for retention, and plans for advancement, some common themes emerged from the interviews that distinguished the groups:**

- **For many in the ND25+ group, advancement goals included getting and keeping a steady, permanent job.** For the majority in this group, who had work histories of unstable and temporary employment, job security was the main priority. Interest in advancement increased as individuals became more securely established in employment, and some aimed in the longer term to improve their skills. They were likely to be receptive to the idea of advancement facilitated by training, and incremental steps towards a full-time, permanent, well-paid, and secure job. However, many struggled with agency work or short-term contracts and were discouraged by what they saw as limited opportunities in the local labour market.

- **For many NDLP customers, starting work was a big step. They were likely to need time to get used to working and organising their lives around work and family before considering advancement.** Childcare responsibilities were understandably a critical issue for NDLP customers as they thought about

advancement. At the same time, how they viewed it in light of their caring obligations varied considerably. Some were motivated to advance to provide for their children financially or to be a working role model. Others, who felt they should limit their work ambitions in order to spend time with their children, were likely to be more interested in advancement as their children got older. Some NDLP customers who were accustomed to working, or were work-focused, had an approach to work similar to that of many WTC customers.

- **WTC customers were more likely to be positive towards advancement, to undertake training, and consequently, to improve their employment position.** Attitudes towards advancement can change as customers settle into employment, and WTC customers, who were already working when recruited to ERA, were likely to be further along this road than lone parents who had joined the programme via NDLP. Many WTC customers, attracted by training opportunities, came into ERA with a positive attitude towards advancement and ideas about what they wanted to do. They were less likely than those in the NDLP group to defer advancement. However, this was not unanimously the case. Some signed up to ERA because they had a vague interest in doing something different or 'better', whilst some placed a higher priority on achieving a better work-care balance than on advancement.

Conclusion

This study of people's understandings of retention and advancement provides evidence of the need for continuing in-work support. Individuals may overcome employment barriers sufficiently to enter work, but these difficulties may continue to present challenges. New problems can arise in work, such as job redundancy and issues with childcare, transportation, finances, and job satisfaction. People respond differently and devise different strategies when faced with threats to their job security and with opportunities to advance. Individuals' orientations to work and

care influence how they respond, and thus have implications for in-work support programmes aiming to promote retention and advancement. Advisers or job coaches need to be aware of the variety and complexity of individuals' orientations to work and care and the ways that these can shape their goals, the paths they choose, and the obstacles they perceive. These orientations combine in different ways and interrelate with other considerations to influence decisions about work.

Advancement means different things to different people, and these meanings may be difficult to predict, are liable to change, and take time to understand. Eventually, some people who are initially reluctant may be coached into taking small steps to advance; others may be able to take one large step when they are ready. Some may need to move jobs to advance; others will be able to take advantage of opportunities where they are. Advisers need to understand what advancement means for individual customers in order to help them. Their efforts to support their customers' advancement may also become more effective with the passage of time. Thus, providing useful guidance will require a relationship that extends well beyond the initial transition to work.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84712 088 1. Research Report 381. September 2006). It is available from Paul Noakes at the address below.

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Paul Noakes, Central Social Research Services
4th Floor, The Adelphi,
1-11 John Adam Street, London WC2N 6HT.
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