

Becoming State of the Art: Research Brief No.3

From Better Skills to Better Work

How Career Ladders can Support the Transition from Low-Skill to High-Skill Work

Following the release of *Industry Shared Approaches and Clearer Sightlines to Employment*, From Better Skills to Better Work is the third in a series of research briefs on Becoming State of the Art, which encourages innovation in the delivery of literacy and essential skills to achieve results that matter. The series seeks to explore the role literacy and essential skills can play in supporting local economic and workforce development.

This brief explores 'Career Ladders', a series of connected literacy, language and skills training programs that enable individuals to secure employment within a specific industry or occupational cluster, and to advance to successively higher levels of education and employment within that sector. Each step is explicitly designed to meet the needs of both participants and employers in obtaining necessary workplace skills.

In Ontario, it has been very difficult to determine if our current training and labour market interventions are effective for job-seekers with low educational attainment who are on social assistance. However, the high rate at which these individuals return to Ontario Works (OW) suggests that even in the absence of comprehensive data, our education and training system has not been particularly effective for these individuals (Commission for the Review of Social Assistance in Ontario, 2012). Ideally, our system should provide these individuals with a foundation for an initial transition from income support into the labour market while also supporting ongoing career advancement and wage progression on the job. Even the shortest workforce interventions and the briefest periods of work should be linked to advancing a person's skills, assets and career trajectory.

For the most part, literacy and essential skills (LES) programming and transitions into skills training or postsecondary programs are not typically aligned with employment sectors, labour market information or workplace progression. This is particularly true when it comes to the types of occupations normally available to non-high school graduates. Under-skilled job-seekers and workers alike often experience tremendous barriers to advancing their skills as they struggle under financial constraints, child care and transportation needs, itinerant jobs and irregular work hours (Lawton, 2009). At the same time for employers, having workers who can progress from lower-skilled to higher-skilled jobs results in a more satisfied and productive workforce with lower staff turnover, less time and money spent on recruitment and better overall business performance. So while we know that low-skilled

work is structured in certain ways, we also know that education and training is often configured in other ways - and these two things don't always mesh. Indeed, the disconnect between the structure of workforce training and entry-level employment has serious consequences for under-skilled workers and their families, employers and regional economic development.

While there is no set formula for creating effective workforce systems for job-seekers or workers with low educational attainment, a framework commonly referred to as 'Career Ladders', 'Career Pathways' or 'Stackable Learning' is showing promising results across a number of jurisdictions. These approaches use a series of sequential education and training programs that explicitly enable individuals to secure employment within a specific industry or occupational sector, as well as advance over time to successively higher levels of education and employment in that sector. Furthermore, the steps on these 'ladders' articulate to common industry standards for given occupations so that employers can recognize the obtained skills. Finally, these courses and programs are designed and scheduled in such a way that allows for workers to learn while they earn.

While results are still in their early stages, career ladders appear to be most encouraging in assisting under-skilled individuals who have cycled on and off income support for long periods of time get to the first step of a career ladder and move toward self-sufficiency (Martinson, 2010). Providing ongoing job support along a line of progressive and stackable learning opportunities makes sense when it comes to those going back and forth in a 'low pay-no pay' cycle. Indeed, recent economic and demographic trends strengthen the case for why job-seekers, under-skilled workers, employers and communities would all benefit from a deliberate and systematic approach to the development of career ladders.

wages. As *The Commission for the Review of Social Assistance in Ontario* (2012) notes:

The high rate at which people return to Ontario Works is due, in part, to the nature of the labour market and the prevalence of temporary and low-wage jobs. However, it may also point to the inadequacy of current services in preparing social assistance recipients for more sustainable employment and providing integrated supports to address barriers to employment. (p. 44)

Essential Skills Ontario's recent research brief, *Clearer Sightlines to Employment: What Works for Job-Seekers with Low Educational Attainment* (2012) discusses the strong association between the lack of educational attainment, employment rates and reliance on government-sponsored income support. Similarly, in their study *Economic Downturn and Educational Attainment* (2012), Statistics Canada and the Councils of Ministers of Education, Canada (CMEC) summarize the relationship between educational attainment and employment rates, noting that while employment rates for those with postsecondary education or a high school diploma have recovered to pre-recession levels, employment rates for individuals with less than high school graduation have continued to decline despite the economic recovery. They note that the current employment level for non-high school graduates is still 14.5% lower than it was in 2008 (Statistics Canada and Councils of Ministers of Education, Canada, 2012). Indeed, if we look at the employment rates of non-high school graduates over the last 20 years, these rates have been steadily declining by nearly 2% each year.

While there are numerous factors that contribute to an individual's likelihood of being on income support, one characteristic predominant among income support recipients is the lack of a high school diploma. An examination of the educational attainment levels of those receiving Ontario Works (OW) and Ontario Disability Support Program (ODSP) indicates that nearly half of OW recipients and over half of ODSP recipients do not complete high school or its equivalent. Studies also indicate that low wage earners and those with lower educational attainment are the least likely to receive on-the-job training as well (Statistics Canada and Councils of Ministers of Education, Canada, 2012). The consequences of these findings are documented in OECD's *An Analysis of Skill Mismatch Using Direct Measures of Skills* (2011):

[...]many workers in a skill deficit situation do not receive support. The role of public policy is thus particularly important because many other employers may lack the necessary incentives to invest in the foundation skills of their employees even if there may be a need as in situations of skill deficit. Unless employees' needs are clearly aligned with firms' needs and the risks to investment are minimal, employers' incentives are not

Who are career ladders designed to support?

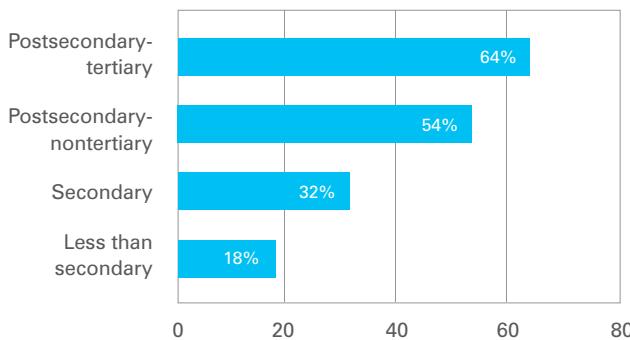
The challenges in moving individuals with low educational attainment and who are on income support into sustainable employment are well documented. The recent *Commission on the Review of Social Assistance in Ontario* describes these individuals as "distant from the labour market" (2012), while Don Drummond in the *Commission on the Reform of Ontario's Public Services* describes this population as "clients who need complex interventions" (2012). Regardless of what terms are used to describe this population, there is a general consensus that Ontario's employment and training services are not obtaining optimal results when it comes to helping these types of individuals achieve both self-sufficiency and progression to family supporting

necessarily aligned to support the development of 'general' or 'foundation' skills. [...] If as found in this study the tendency is for training opportunities to be allocated primarily to those who use the skills in question, the risk is that the skill base of the workforce will become increasingly bifurcated, with some workers attracting more investment for continued skill development and others left without any support. (p. 7-8)

The lack of effective supports and training for those with low educational attainment, whether employed or unemployed, compounds the challenges faced by many lower-skilled individuals. Indeed, maintaining the status quo indicates that the lower-skilled are likely to remain perpetually lower-skilled—and they are the most likely candidates to be part of the 'low pay-no pay' cycle. Furthermore, based on OECD data for Canada, adults with the least amount of education are also least likely to participate in ongoing formal and informal education.

The data and findings of these reports are important reminders of why new approaches are needed to help those who exist at the margins of educational and economic opportunity. Other jurisdictions have faced similar challenges in serving those who are underprepared, underutilized and on government income support. A common denominator among the jurisdictions that have implemented career ladder initiatives was a desire to solve a seemingly intractable problem and a belief that systems and programs could achieve better social impacts by purposefully targeting their efforts for adults with limited skills.

Diagram 1: Canadian Adult Participation in Formal and Non-formal Education, by Educational Attainment Per Cent, 2008



Source: OECD (2011), *Education at a glance 2011: OECD indicators*, OECD Publishing.
<http://dx.doi.org/10.1787/eag-2011-en>. P 370.

What are career ladders?

'Career Ladders' is an emerging framework used both to design skills programs and to foster more systematic change. It has gained significant traction through the work of the US Departments of Education, Health and Human Services, and Labor in cooperation with the Alliance for Quality Career Pathways (AQCP). Variations of career ladders are also being replicated to various degrees and in different forms in Australia, the United Kingdom, New Zealand and other countries.

Programs and agencies that are part of a career ladders system will often concentrate on sets of occupational skills related to a specific industry or occupation that is growing in their local community. Systemic change initiatives focus on wider institutional alignment and coordination activities—orchestrating existing programs and resources while identifying and addressing missing pieces in the career ladder. These career ladders focus on progressive skills development among under-skilled adults and out-of-school youth by offering a streamlined sequence of education and training services that enable students (often while they are working) to advance over time to successively higher levels of education and employment in a specific industry or occupational sector. Each of these services align non-credential (such as literacy and basic skills or English as a Second Language [ESL]) and credential learning, while helping adults without high school attainment bypass traditional education routes and earn stackable credentials as they progress. Furthermore, career ladders typically provide numerous entry and exit points in order to address challenges faced by part-time and itinerant workers.

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In a broad sense, a career ladder initiative acts as a lever to provoke accommodation from the various partner stakeholders. Trainers are asked to customize the content of their materials and their teaching strategies to serve the needs of workers in specific job contexts; employers are encouraged to make work learner-friendly by supporting training during work hours, providing space for instruction and by facilitating career advancement; and social agencies are enlisted to address other barriers outside the workplace that may impede participants—from child care challenges to the development of skills for managing time and domestic budgets—not just for job-seekers but also for lower-waged workers. This approach is especially appropriate for under-skilled adults, given the multiple barriers they often face, any one of which is capable of de-railing their career aspirations.

Arkansas Career Pathways Initiative

Started in 2005, the goal of this statewide initiative was to meet both increasing employer demand for skills and to increase credentials among adults by replicating and institutionalizing an alternative employment and training service delivery model to better meet the unique needs of adult students - particularly low-income and low-skilled adults with multiple employment barriers. Components of the model include: clear pathways of continuing education and employment, innovative instructional strategies aimed at improving student retention, college credentials broken down into multiple certificates, student supports and alignment with local industry.

SOURCES: Arkansas Career Pathway Initiative. Retrieved from <http://www.arpathways.com/>
Stephens, R.P. (2009). *Charting a path: An exploration of the statewide career pathway efforts in Arkansas, Kentucky, Oregon, Washington and Wisconsin*. Seattle, Washington: Seattle Jobs Initiative.

Colleges and community agencies target local high-growth and high-demand sectors in consultation with local employers and workforce boards. Career Pathways certificates leading to a degree have been created in manufacturing, healthcare, retailing/customer service, transportation and warehousing, and professional and technical services. Since its inception, the Arkansas Career Pathways Initiative has been experiencing significant growth and is producing notable certificate and degree completions for thousands of participants, with a significant majority completing both a certificate and gaining steady employment in their career pathways.

What do career ladders look like?

Since 2001, in the United States alone, 28 states and hundreds of community colleges and programs have started career ladder initiatives. While the impetus has varied, for the most part it has been rooted in a desire to extend the concept of 'apprenticeship' and to informally include career paths in the types of industries that might be receptive to working with low-skilled adults and out-of-school youth. In short, the proponents of career ladders wanted to provide non-high school graduates with the opportunity to learn on the job while attending school in intervals.

While the general principles, components and characteristics among career ladder programs and initiatives are common, there is little uniformity in their organization and delivery mechanisms (Fein & Abt Associates Inc., 2012), whether in a state/province, region or community. This is understandable, as the process of creating career ladders requires a community to fully map its employment and training assets, resources (place-based approaches) and capacities, examine local demographics of working age adults and form local partnerships with growing industries to examine what is missing or needs to be re-engineered to meet the needs of under-skilled workers and job-seekers. In order to be effective, career ladders need to be adaptable at addressing specific employment barriers and supporting regional labour market pipelines.

In some cases, a single provider, normally a community college (although not exclusively), in concert with a single industry sector,

Diagram 2: Types of Local Career Ladder Systems



takes responsibility for the development and execution of a career ladder. In other communities, career ladder initiatives have attempted transformational practices through large-scale, multi-site and multi-agency initiatives supporting multiple career ladders. While there are many variations in career ladder frameworks, central to each are stackable credentials that are understood by, and have currency with, a specific industry. For example, many US career ladders in manufacturing are utilizing the NAM Manufacturing Skills Certification System, stackable and portable credentials that are applicable and recognized by all sectors in the manufacturing industry. These credentials validate the skills and competencies needed to be productive and successful in entry-level positions in any manufacturing environment (Manufacturing Institute, 2012). The system includes both technical and non-technical skills, ensuring that individuals have both the personal and professional skills necessary for advanced manufacturing. The certificates do not necessarily require high school completion

and are aligned with basic education and college programs in order to provide a progressive path of occupational advancement and the opportunity to pursue a college degree.

How do employers benefit from career ladders?

Any discussion regarding employment or Ontario's labour market inevitably revolves around the issue of skill mismatches. Using Government of Canada data, the projected shortfall in the availability of workers is expected to rise to at least 1.4 million and possibly to as high as 3.9 million by 2031, depending on the assumptions of population growth used (Miner, 2012).

Indeed, employer associations are increasingly concerned about current and future skills shortages, or as the Ontario Chamber of Commerce notes, "Ontario suffers from a paradoxical challenge—historically high unemployment and underemployment with labour and skills shortages in key sectors" (2012). Often employers are concerned with the lack of a specific expertise, but more often they are seeking a complete package of job-related skills and 'soft skills'—those generic capacities of communicating, interacting and problem-solving needed in the 21st Century workplace.

The Singapore Workforce Development Agency (WDA)

The Singapore Workforce Development Agency (WDA) was specifically and deliberately designed to more directly involve employers in training, to achieve improved responsiveness of employers to skills use and to provide skills certificates in growing industries. In order to address skills shortages in the retail sector, the Singapore Institute of Retail Studies is a collaborative effort between the Singapore Workforce Development Agency and the Singapore Merchant Association and provides a career ladder continuum of training and progressive certificates from basic customer service and operations upwards to a full Diploma in Retail Management. Programs are open to both job-seekers and incumbent employees. Similar approaches are being used for 30 other industry sectors including hospitality, logistics, food preparation, transportation, manufacturing, waste management and healthcare support.

SOURCE: Singapore Workforce Development Agency. Retrieved from <http://www.wda.gov.sg/>

These labour shortages are not isolated to the types of high-tech or trades-related jobs we are accustomed to hearing about. Rather, more often than not, they reside in industries that require a different combination of skills from their desired workforce. Diverse industry sectors such as food processing, advanced manufacturing, mining and supply chain and logistics are expressing concern about current and future supply of workers. Indeed, many of the potential career paths available in these sectors and occupations have not been part of our traditional postsecondary offerings or conventional workforce development programs. Even retailers have begun to express concerns about their future workforce talent, including recruitment of new employees, retention, training and advancement into management (Kopun, 2012).

Although career ladder frameworks have not yet been rigorously evaluated in terms of outcomes and impacts for employers, there is general consensus that they have significantly increased industry engagement and participation in training at both regional and local levels. Furthermore, as local providers have aligned their training with in-demand jobs and occupational progression, more employers are providing employees in lower-skilled jobs the time or financial resources to up-skill (Colburn et al., 2006).

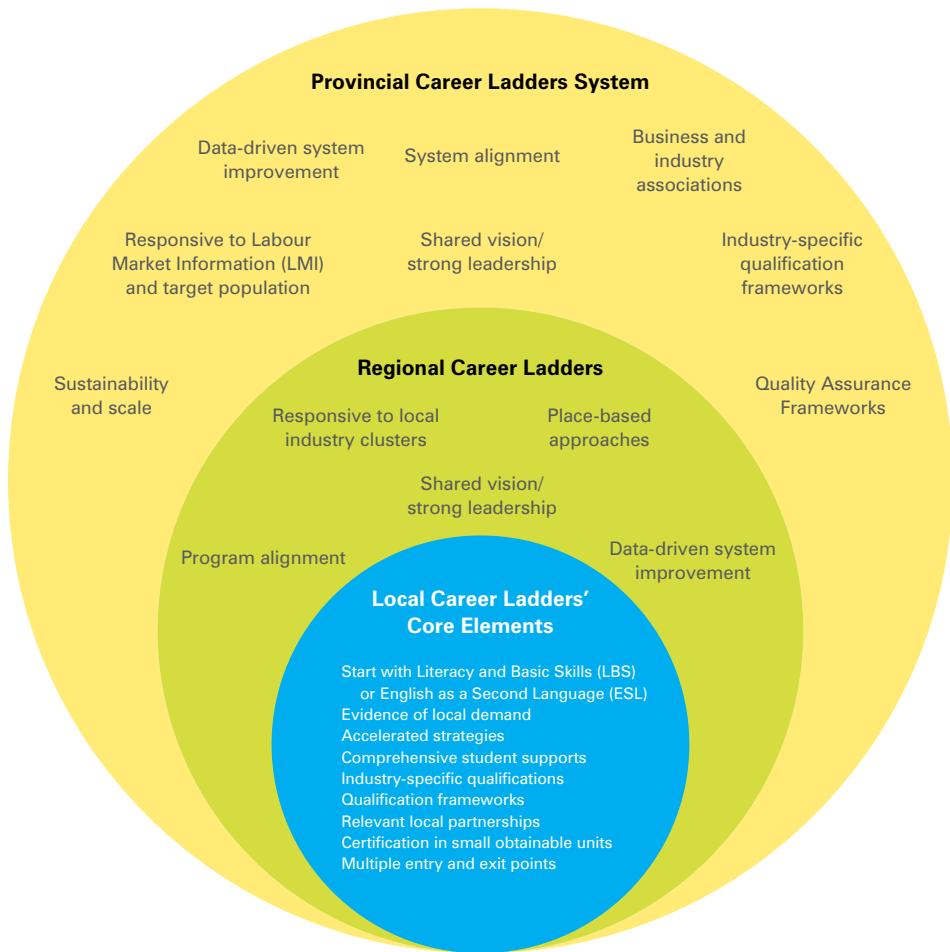
Going forward in Ontario

For most adults without high school attainment and who are on income support, attaining a postsecondary degree that results in immediate and well-paid employment is challenging. Even for those who find work, opportunities for training are limited, in part because of the way education and training services are organized and delivered in most communities. While Ontario has a diverse and comparatively well-funded training system, the reality is that our systems have not achieved the results we want in terms of the employment needs and career advancement of under-skilled adults who are either on income support or in low-waged jobs. Indeed, many stakeholders in employment and training have come to expect or even accept that little will change for a large segment of this population.

But what if we transformed the system? What if we took a longer view to skills development, one that included a continuum of training to under-skilled job-seekers and vulnerable workers? What if we re-engineered some of our services towards the very different circumstances of low-income adults?

What would this system look like? This system might look like the 'Career Ladder', 'Career Pathways' and 'Stackable Learning' initiatives happening elsewhere. These initiatives were driven by a desire to solve the seemingly intractable problem of the 'low pay-no pay' cycle for those on social assistance.

Diagram 3: Aligning Provincial Frameworks, Regional Industry and Local Activities



What will it cost? In an era of fiscal restraint, it is prudent to orchestrate our existing training assets in a way that aligns public and private investments in training, workforce development, social services and economic development to maximize their effectiveness. Career ladders do not necessarily cost governments more. Instead, they are a system transformation that provides meaningful opportunities to low-income and under-skilled workers.

How do we start? While career ladders vary from jurisdiction to jurisdiction, there are a number of characteristics and conditions that can fundamentally change the way basic skills and credentialed learning are structured in order to achieve long lasting impacts.

Some important lessons include:

Use an industry-shared strategy. Align employment and training programs with the skill needs of industries important to local

economies. Actively engage local employers in determining the skill requirements for entry-level occupations and for career progression.

Provide stackable training options. Career ladders need to include the full range of adult basic education, skills training and postsecondary options. Develop a framework that allows for a progression of courses clearly articulated from one level to the next. Finally, they need to relate to occupational progression.

Develop integrated training. The most successful career ladders get the first step right. Accelerate the educational and career advancement of participants by combining occupational skills training with adult literacy and basic skills.

Create industry-recognized credentials. Effective career ladder programs lead to the attainment of industry-recognized credentials

that have value in the labor market. Every step an individual takes should have meaning to both participants and employers. Credentials should be broken into small and obtainable pieces that allow for students to learn and earn.

Provide multiple entry and exit points. Successful career ladder programs understand the challenges faced by workers trying to juggle family responsibilities and work. Allow job-seekers and workers of varying skill levels to enter or advance within a specific sector or occupational field on a continuous basis. Accommodate work schedules, provide alternative class times and locations and use innovative delivery methods (e.g. online delivery) based on specific client needs.

We also need to explicitly recognize that many entry-level jobs are opportunities for under-skilled adults. In the right environment these jobs can be a launching pad to success; however, getting in the door is not always the same as being able to get ahead. The training system needs to get the sequence right by focusing on helping workers move up a career ladder *after* they enter employment—not *before* they enter into employment.

The systematic change required to benefit low-wage and under-skilled workers will be difficult. Delivering learning when it is needed, where it is needed, and how it is needed presents many challenges to government, business and delivery providers. It is a very different place than where we are now. It will take a commitment from each of these players since no single group, individual or employer can realize a change of this scale. However, career ladders can provide us with the opportunity to unite around the common goal of providing under-skilled workers with concrete steps towards better skills and better jobs.

The development of Career Ladders has been rooted in a desire to extend the concept of informal apprenticeships to the types of industries that might be receptive to working with low-skilled adults and out-of-school youth.

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