Work, life and VET participation amongst lower-paid workers

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NCVER MONOGRAPH SERIES 05/2011
Change is a constant reminder that we must continue to grow. Through avoiding change we may risk stagnation, halting any progression within our lives. On the other hand, if we embrace change we encourage growth and may risk missing out on the finer details. What if it were possible to merge both viewpoints?

My current body of work looks at change collectively, focusing on the small details which, while insignificant alone, are powerful en masse. Through choosing to notice the finer details in a positive light, change becomes something we can embrace.

This work is from NCVER’s collection which features artwork by VET students.
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The factors that influence the participation in vocational education and training (VET) of low-skilled and low-paid workers were the focus of substantial research undertaken by the Centre for Work + Life at the University of South Australia from 2008 to 2010. This report is the culmination of that program.

While education and training are viewed positively by many low-paid workers, their aspirations are diverse and vary by gender, life stage and educational and work histories. They often face constrained opportunities for improving their circumstances, and VET is not a panacea for the many issues they face.

Key messages

- Training for low-paid workers needs to be of high quality, genuinely relevant and essential to the job, and deliver real and up-to-date outcomes. Insufficient time can compromise the quality of training.
- Setting targets for qualification levels across the population will add to the pressures facing low-paid workers without necessarily improving their circumstances or productivity.
- Lower-paid workers are more likely to be in small firms with flat employment structures. They have fewer resources to cushion work–life pressures. Positive rates of return on qualifications are often small or non-existent. Low-paid workers are often undertaking training to retain their job, not for career progression or higher pay.
- Institutional settings matter a great deal to the realisation of aspirations and the opportunity for second, third and even fourth chances at education. These institutions include labour market structures, workplaces, VET organisations, unions, the family and the welfare system.
- The issues of enough time, enough money and appropriate teaching and learning emerge as vital to successful VET engagement and outcomes for those in low-paid occupations. Problems with literacy are widespread. Good pastoral support is of crucial importance.
- The overall message is that training can lead to the acquisition of new skills that are rewarded in the labour market, but not necessarily so. When training increases the time and money demands on workers but without generating genuine new skills or better prospects for them, then it can make things worse for low-paid workers by falsely raising expectations.

Tom Karmel
Managing Director, NCVER
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Abstract

What role can vocational education and training (VET) play in helping low-paid workers improve their circumstances for the better, in the context of their work–life configurations? Conducted over three years, from 2008 to 2010, this study addresses that question by applying quantitative and qualitative research approaches.

The Organisation for Economic Co-operation and Development (OECD) defines low-paid as those earning less than two-thirds of median earnings; 17.5% of Australia’s full-time workers met this definition in 2008 (OECD 2006, p.175, 2010a, p.295). Low-paid workers make up a large proportion of VET students. (Two-thirds of 2007 graduates were employed in low-paid occupations prior to their training.) Higher earnings or advancement do not follow from VET for two-thirds of graduates who have previously been employed in low-paid occupations. The outcomes for those who complete modules of training rather than whole courses are worse. Some entrenched and very well-known problems persist, most notably, language and literacy problems. Despite current interventions, many lower-paid workers remain excluded from learning by literacy issues. More effective action in this area is essential.

Negative work–life interference is stronger among low-paid workers than among higher-paid workers. Low-income women are especially badly affected. What happens to work–life interference when we add study to the mix? Outcomes from the 2009 Australian Work and Life Index (AWALI) showed that a quarter of employees were engaged in some form of study, whether at university, VET or elsewhere. Their negative work–life interference—as measured by their AWALI scores—was higher than among those not studying. It was higher for those in low-paid occupations than in high-paid occupations, and for those on lower personal incomes.

Workers in low-paid occupations were less confident of their employers’ support for training (especially women). Many felt that study would add to their work–life pressures and this put them off participation in VET. Qualitative interviews and focus group discussions reveal that VET is no panacea for improving the circumstances of those in low-paid jobs. In some circumstances VET can add to the work–life stresses of low-paid workers and students, where it: merely ‘ticks the box’; is not associated with genuine learning; is of poor quality; is not integrated into work processes; and creates new money and time strains, without generating rewards, in terms of new skills or better pay or prospects. Much training amongst low-paid workers is mandatory (for example, health and safety and food handling, or meeting certification levels to care for the aged). It is vital that such training is genuinely useful, of high quality, relevant and utilised.

Workers and students in low-paid occupations are often both time and money poor, so institutional settings that minimise these costs will assist VET participation. These include workplace arrangements that alleviate these dual drains, and government and VET provider action to minimise fees. Learning opportunities that are integrated into the workplace, household or the working day; minimise new travel demands; make good use of appropriately supported online learning or are serviced by affordable transport are useful interventions.

Higher rates of return for skill development and use are likely to increase VET participation. Flexible workplace settings for workers to combine jobs, training and home life is vital, along with workplace and supervisory cultures that support training. Finally, given that many lower-paid jobs are in small businesses, more regional and industry cooperation in the provision of quality training and pathways would also be beneficial.
Introduction

Background

This report synthesises and analyses the research arising from the project Increasing VET participation amongst lower-paid workers over the life cycle, funded by the National VET Research and Evaluation Program administered by the National Centre for Vocational Education Research (NCVER). The research was conducted over three years, between 2008 and 2010.

The project focused on identifying the barriers, supports and benefits of vocational education and training (VET) participation for workers in lower-paid occupations and those with lower levels of education, in the context of their changing work–life configurations. Its aims included investigation of appropriate responses to these changing circumstances.

The researchers drew on a wide range of quantitative data as well as the experience and perspectives of employers, industry spokespeople, workers and vocational educators. Their findings challenge any easy assumptions that ‘more VET’ will automatically enhance the position of lower-paid workers, that all ‘VET’ can be assumed to be similar in producing positive effects for lower-paid workers, or that lower-paid workers share similar situations, including their work–life circumstances. The picture is complex. However, the overall analysis suggests that particular institutional settings, including workplaces, educational organisations, government and households, can improve the circumstances of lower-paid workers, especially when they take account of life cycle and work–life circumstances.

Outline of research and research team

This report draws on a series of research projects applying both qualitative and quantitative methods over the three years 2008–10. Table 1 shows the seven phases of the research. The project has been guided by an expert reference group, including employers, unions, VET providers and members of industry bodies, such as skills councils.

Phase 2 included analysis of three surveys (Skinner & King 2008):

- The 2007 Student Outcomes Survey (SOS): an annual survey which focuses on student employment outcomes and satisfaction with VET. It excludes students in recreational, leisure or personal enrichment courses and includes respondents employed in the six months prior to training who had completed all the requirements for a VET qualification. This analysis included ‘module completers’, defined as those students who successfully completed part of a qualification and then left the VET system. In 2007 two-thirds of survey respondents were VET graduates and one-third were module completers.

- Household Income and Labour Dynamics in Australia (HILDA) survey 2006 data: a household-based panel study that collects information on a range of economic, employment, family and health characteristics of people residing in Australia. Participants are followed over time. However, only cross-sectional data collected in 2006 (wave 6) was summarised in Stage 2 of this study. The survey includes annual interviews with all members of participating households aged 15 years or older. The survey sample is representative of the Australian population. The survey is managed by the Melbourne Institute of Applied Economic and Social Research (MIAESR),
University of Melbourne, and is funded by the Australian Government Department of Families, Communities and Indigenous Affairs (FaCSIA). The findings and views reported in Stage 2 of this project and summarised in this paper are those of the authors and should not be attributed to the Department of Families, Communities and Indigenous Affairs or the Melbourne Institute of Applied Economic and Social Research.

- The 2006 Adult Literacy and Life Skills Survey (ALLS): measures the literacy skills of Australians aged 15 to 74 years. Four domains of literacy are measured: prose literacy, document literacy, numeracy and problem-solving. The survey is conducted by the Australian Bureau of Statistics (ABS).

Phase 4 included analysis of a specific-purpose survey of 2748 Australian employees about their participation in education and training and their work–life circumstances, using the Australian Work and Life Index (AWALI) measures (Pocock, Skinner & Williams 2007). This survey analysed work–life outcomes in relation to high and low pay and occupations, enabling analysis of the differences that studying makes to work–life interaction and related issues.

Phase 5 included interviews and focus group discussions with 158 individuals: 86 workers in retail, food processing and non-residential aged care (a number of whom were also engaged in some form of education and training), 18 students studying to enter these industries, 16 managers and peak council, union, employer and training representatives, 14 vocational educators (teaching courses or coordinating them) and 24 ‘strategic interviews’ with stakeholders from industry, government, academe, unions and VET organisations.

The research has been undertaken by a large team of researchers. The original research project was drafted by Helen Masterman-Smith and Barbara Pocock. Jude Elton and Katherine Edwards reviewed the literature. Catherine McMahon undertook a first round of interviews with industry experts. Natalie Skinner and Peter King undertook analysis of the existing Student Outcomes, Household Income and Labour Dynamics in Australia, and Adult Literacy and Life Skills surveys. Natalie Skinner, Barbara Pocock and Reina Ichii wrote up the analysis of the Australian Work and Life Index (AWALI) survey and Natalie Skinner wrote up the analysis of AWALI and education and training findings specifically. Jude Elton, Kim Windsor and Barbara Pocock undertook the qualitative interviews and focus groups. Deborah Green, Catherine McMahon and Barbara Pocock analysed these. Suzanne Pritchard provided research assistance, helped draw together data for analysis and edited the reports. All of the above contributed to report writing in various ways, as reflected in the authorship of reports.
Table 1  Project phases, methods and reports

<table>
<thead>
<tr>
<th>Stage</th>
<th>Methods</th>
<th>Purpose</th>
<th>Outcomes</th>
<th>Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature study</td>
<td>Review of national and international research</td>
<td>Identify what was already known</td>
<td>Unpublished literature review</td>
<td>‘Increasing the participation of low-paid workers in VET in the context of changes at work and at home: a review’ Edwards, Elton, Masterman-Smith &amp; Pocock 2008 (unpublished)</td>
</tr>
<tr>
<td>Analysis of existing surveys</td>
<td>Analysis of NCVER Student Outcomes Survey (SOS), HILDA and ABS Adult Literacy and Life Skills (ALLS) surveys.</td>
<td>Identify VET and labour characteristics of the lower-paid and factors likely to affect VET engagement</td>
<td>Investigating the low-paid workforce: employment characteristics, training and work–life balance, Skinner &amp; King, October 2008 (NCVER working paper published by the Centre for Work+Life)</td>
<td></td>
</tr>
<tr>
<td>First industry consultation</td>
<td>Consultations with VET stakeholders; reference group established and contributed to research design; policy roundtable with key stakeholders held</td>
<td>Ensure research addressed stakeholder concerns and built on their experience</td>
<td>Agreed to focus on workers in non-residential aged care, retail and food processing industries</td>
<td>Low-paid workers, changing patterns of work and life, and participation in vocational education and training: a discussion starter, Pocock, March 2009 (NCVER)</td>
</tr>
<tr>
<td>New survey study</td>
<td>Purpose-designed representative survey of 2748 Australian workers about participation in education and training and work–life including AWALI work–life measures.</td>
<td>Apply a work–life lens to examine patterns of participation in education and training and perceptions of future participation</td>
<td>Work–life, and workplace flexibility: the Australian Work and Life Index 2009, Pocock, Skinner &amp; Ichii, 2009 (Published by the Centre for Work+Life)</td>
<td></td>
</tr>
<tr>
<td>Qualitative study</td>
<td>Qualitative investigation conducted 2008–09 (Vic. – food processing; WA – retail; Qld – non-residential aged care; SA – retail and non-residential aged care)</td>
<td>Consult workers, employers, educators, industry spokespeople about experiences in workplaces and in educational organisations</td>
<td>Refinement of final report</td>
<td>Work, life and VET participation amongst lower-paid workers (this report), Pocock, Skinner, McMahon and Pritchard, 2011 (NCVER monograph)</td>
</tr>
<tr>
<td>Second industry consultation</td>
<td>Consultations with 24 individuals from government, industry, VET, social inclusion experts focusing on findings and policy options; second policy roundtable held</td>
<td>Ensure research findings addressed stakeholder concerns and incorporated their experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overview</td>
<td>Analysis of all reports and data (literature review, statistical analysis, focus groups, interviews &amp; policy roundtables)</td>
<td>Summarises all above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Context: work and life and study in low-paid occupations

This research reveals a system of work, VET and work–life interaction that affects the experiences of lower-paid workers. These interactions and the institutions and social norms that condition them can be changed for the better, as previous research (Rainbird 2007) and the examination of diverse experiences in different institutional settings through this research shows. Positive change can be created by arrangements in the workplace, the family and household, VET institutions, the regulatory and funding systems for VET, the regulation of work, and the behaviour of employers and unions. This report explores how.

This research matters because lower-paid workers form a significant portion of the Australian labour market, both numerically and in terms of their significance in society. In 2008, 17.5% of full-time workers met the OECD definition of low-paid workers, up from 12.3 % in 1998 (OECD 2006, p.175, 2010a, p.295); the OECD defines low-paid as those earning less than two-thirds of median earnings). This compares with 24.3% and 21.2 % in the US and UK respectively. The Australian proportion is much higher if we include part-time workers (many of whom of course are students). Better outcomes for lower-paid workers, including in their access to training, reduce inequality, improve the life chances of their children, reduce disadvantage and increase social inclusion.

Lower-paid workers are diverse in their aspirations. These are shaped by gender, life stage and educational and work histories. However, regardless of their personal inclinations, lower-paid workers often face constrained opportunities for improving their circumstances—by earning a higher income, using their skills, learning new skills and better reconciling their jobs and families.

This report considers the role that VET can play in helping low-paid workers change their circumstances for the better, in the context of their work–life situations.

The characteristics of lower-paid workers

Based on an analysis of the 2006 Household Income and Labour Dynamics survey, 43.5% of employees (49.9% of women) worked in low-paid occupations (defined to include labourers and related workers; elementary clerical, sales and service workers; intermediate production and transport workers and intermediate clerical, sales and service workers) (Skinner & King 2008, p.30).

Lower-paid workers are more likely to be in smaller workplaces: more than half work in workplaces with fewer than 20 employees. They are concentrated in the private sector. They are also more likely to be women, part-timers, casuals, young people, lower-skilled workers, and employed in accommodation, cafes or restaurants, cultural and recreational services, personal services, retail and health and community services. For most, being lower-paid is not a transitory life stage confined to young students who are financing their studies; for many it is a longer-term experience, often alternated with periods of care for others, unemployment, under-employment and withdrawal from the labour market.

1 Data referred to in this chapter are available in the report Investigating the low-paid workforce: employment characteristics, training and work–life balance (Skinner & King 2008).
Analysis of HILDA data (2006) showed that workers in low-paid occupations were less likely to have access to employment entitlements that would support the combination of work and family, and work and study activities, such as permanent part-time work, telework, flexible start and finish times and childcare support (Skinner & King 2008, p.39). The firms where low-paid workers are employed have fewer staff to cover for those who need flexibility and are less likely to have work–family policies and dedicated human resources to implement them. This is well illustrated by the availability of paid parental leave: in 2005, only a quarter of women in private sector employment had access to any paid parental leave compared with three-quarters of those in the public sector; those on lower wages had much less access than the higher-paid. Beyond paid parental leave, lower-educated workers have less access to other forms of work-related flexibility, which are critical in balancing work with the ‘rest of life’ demands.

Employees in low-paid occupations—as revealed by analysis of HILDA 2006—were less likely to have participated in training that was part of their employment over the preceding 12 months (30.6% did so) compared with higher-paid occupations (47.6%). Around one in five employees—whether in higher-paid or lower-paid occupations—had made a contribution to the costs of such training.

This analysis of HILDA data suggests that two-thirds of those in lower-paid occupations, whether men or women, were most likely to be participating in training to improve their skills for their current job.

Workers in lower-paid occupations were more likely than those in higher-paid occupations to be training to help get started in a job (14.2% compared with 7.9% in higher-paid occupations) and for health and safety reasons (37.3% compared with 23.4%).

**Lower-paid workers: major clients of VET**

Analysis of the 2007 Student Outcomes Survey (SOS) (see table 2) showed that men made up a slightly higher proportion of VET graduates (53.7%) than women (46.3%) (Skinner & King 2008). Lower-paid workers make up a large proportion of VET graduates: two-thirds of 2007 VET graduates were employed in lower-paid occupations six months before their training. Most women (80%) were employed in these occupations prior to their study compared with just over half of men (55%).

In terms of occupation, women graduates of VET courses were concentrated in three types of jobs prior to their training: community and personal services (24.4%); sales (23.5%); and clerical and administrative work (19.3%). On the other hand, men were concentrated in technical and trades occupations (28.8%) and labouring (21.3%). Just over half of all graduates worked full-time prior to study, a much larger share of men (71.3%) than women (40.5%).

Certificate III was the most common qualification obtained by graduates (40.7%), with little difference between the sexes (42.7% of men and 38.3% of women graduated with certificate III).

The majority of VET graduates engaged in paid work to earn income during their training, whether in low-paid occupations or not. Those from low-paid occupations were more likely to report income from government allowances, pensions or benefits (6.1% compared with 2.7% of those from other occupations).
Table 2  Student Outcomes Survey graduate sample characteristics, employed 6 months before training, 2007

<table>
<thead>
<tr>
<th>Sample characteristics</th>
<th>All</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100</td>
<td>53.7</td>
<td>46.3</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15–24 years</td>
<td>38.4</td>
<td>35.5</td>
<td>41.6</td>
</tr>
<tr>
<td>25–44 years</td>
<td>39.7</td>
<td>42.7</td>
<td>36.3</td>
</tr>
<tr>
<td>45 years &amp; older</td>
<td>21.9</td>
<td>21.8</td>
<td>22.1</td>
</tr>
<tr>
<td>Highest pre-training schooling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 11 or lower</td>
<td>18.5</td>
<td>18.5</td>
<td>18.4</td>
</tr>
<tr>
<td>Year 12</td>
<td>16.2</td>
<td>14.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Higher education/VET</td>
<td>55.5</td>
<td>56.6</td>
<td>54.3</td>
</tr>
<tr>
<td>Miscellaneous ^a</td>
<td>9.8</td>
<td>10.1</td>
<td>9.4</td>
</tr>
<tr>
<td>Qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diplomas and above</td>
<td>13.2</td>
<td>10.7</td>
<td>16.1</td>
</tr>
<tr>
<td>Certificate IV</td>
<td>17.9</td>
<td>16.5</td>
<td>19.6</td>
</tr>
<tr>
<td>Certificate III</td>
<td>40.7</td>
<td>42.7</td>
<td>38.3</td>
</tr>
<tr>
<td>Certificate II</td>
<td>23.4</td>
<td>25.1</td>
<td>21.4</td>
</tr>
<tr>
<td>Certificate I</td>
<td>4.8</td>
<td>4.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Basis of employment (prior to training)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wage or salary earner</td>
<td>91.3</td>
<td>89.7</td>
<td>93.2</td>
</tr>
<tr>
<td>Own business—with employees</td>
<td>2.7</td>
<td>3.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Own business—without employees</td>
<td>4.4</td>
<td>5.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Helper not receiving wages</td>
<td>1.6</td>
<td>1.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Labour force status (prior to training)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed full-time</td>
<td>57.0</td>
<td>71.3</td>
<td>40.5</td>
</tr>
<tr>
<td>Employed part-time</td>
<td>41.0</td>
<td>26.7</td>
<td>57.6</td>
</tr>
<tr>
<td>Employed (hours not stated)</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Occupational status (prior to training)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low paid occupation</td>
<td>66.4</td>
<td>55.0</td>
<td>80.1</td>
</tr>
<tr>
<td>Other occupation</td>
<td>33.6</td>
<td>45.0</td>
<td>19.9</td>
</tr>
<tr>
<td>Occupation (prior to training) ^b</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td>6.7</td>
<td>8.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Professionals</td>
<td>8.6</td>
<td>8.2</td>
<td>9.1</td>
</tr>
<tr>
<td>Technicians and trades workers</td>
<td>18.4</td>
<td>28.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Community and personal services workers</td>
<td>15.0</td>
<td>7.2</td>
<td>24.4</td>
</tr>
<tr>
<td>Clerical and administrative workers</td>
<td>11.9</td>
<td>5.7</td>
<td>19.3</td>
</tr>
<tr>
<td>Sales workers</td>
<td>15.8</td>
<td>9.5</td>
<td>23.5</td>
</tr>
<tr>
<td>Machinery operators and drivers</td>
<td>6.9</td>
<td>11.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Labours</td>
<td>16.8</td>
<td>21.3</td>
<td>11.3</td>
</tr>
<tr>
<td>Total number of responses</td>
<td>33 701</td>
<td>15 177</td>
<td>18 503</td>
</tr>
<tr>
<td>Estimated total number of students</td>
<td>346 790</td>
<td>185 928</td>
<td>160 428</td>
</tr>
</tbody>
</table>

Note: ^ Miscellaneous consists of: 'Other certificate', 'Certificate of competency or proficiency', 'Statement of attainment', 'Prevocational training' and 'Other'.

Source: Student Outcomes Survey 2007.

Employment and study outcomes after VET

Analysis of the 2007 Student Outcomes Survey indicates that over two-thirds of VET graduates from lower-paid occupations do not move into a different occupational skill level after training. A similar proportion does not receive a higher income after graduation. After graduation, individuals

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from lower-paid occupations are more likely to work part-time, regardless of age or gender, and women graduates are especially likely to be part-time and to be casual.

This suggests that higher earnings and advancement are not primary motivations for VET participation for many lower-paid workers. As our subsequent face-to-face discussions with low-paid workers in retail, aged care and food production show, many low-paid workers recognise that higher pay or promotion will not follow from their participation in VET. Instead, many are participating because of mandatory requirements associated with their jobs. They are studying to satisfy a job requirement and for job security. Some study because they find learning intrinsically enjoyable. However, our qualitative investigation suggests that few study expecting higher earnings or advancement, confirming the analysis of 2007 Student Outcomes Survey data.

The analysis of outcomes amongst those completing parts of a VET qualification (that is, modules) rather than a whole qualification shows poorer outcomes for these ‘modulate completers’, raising questions about how effective it is for employees from low-paid occupations to complete parts of a VET course rather than a whole qualification. Module completers were less likely to move to a higher skill level compared with graduates, especially if they had previously worked in a low-paid occupation. They were also less likely to be satisfied with their training. Those in low-paid occupations previously were less likely to report they had achieved their main reasons for doing training and they were less likely to be satisfied with the overall quality of the training compared with graduates. Module completers were also more likely to report that training had no benefits.

### Reasons for training, satisfaction and outcomes

The majority of graduates from low-paid occupations (80.9%) participated in VET for employment reasons; 14% did so for personal or other reasons. Motivations were very similar to those for graduates from high-paid occupations. (This analysis excludes students who undertook recreational, leisure or personal enrichment courses.)

Most graduates, whether from high or low-paid occupations, reported that they were satisfied with the overall quality of their training (88%) and a similar high proportion wholly or partly achieved the main reason for doing their training. Gender differences were very small on both issues.

Just over two-thirds of graduates from both low- and high-paid occupations reported both job and personal benefits arising from their VET participation (see table 3). Only a small proportion reported no benefits from training. Women were more likely to perceive only personal benefits (28.1% of women graduates from low-paid occupations compared with 23.9% of similar men).

#### Table 3 Benefits of undertaking training reported by graduates by occupation, employed 6 months before training, 2007

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Men</th>
<th>Women</th>
<th>15–24 years</th>
<th>25–44 years</th>
<th>45 years &amp; older</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Low-paid occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No benefits</td>
<td>3.9</td>
<td>4.8</td>
<td>3.2</td>
<td>2.7</td>
<td>4.5</td>
<td>5.6</td>
</tr>
<tr>
<td>Job-related benefits only</td>
<td>1.5</td>
<td>1.9</td>
<td>1.2</td>
<td>1.2</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Personal benefits only</td>
<td>26.2</td>
<td>23.9</td>
<td>28.1</td>
<td>26.2</td>
<td>24.5</td>
<td>29.8</td>
</tr>
<tr>
<td>Job and personal benefits</td>
<td>68.3</td>
<td>69.4</td>
<td>67.5</td>
<td>69.8</td>
<td>69.2</td>
<td>63.0</td>
</tr>
<tr>
<td>Other occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No benefits</td>
<td>4.8</td>
<td>5.2</td>
<td>3.7</td>
<td>2.2</td>
<td>5.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Job-related benefits only</td>
<td>1.8</td>
<td>2.1</td>
<td>1.3</td>
<td>1.4*</td>
<td>1.8</td>
<td>2.3</td>
</tr>
<tr>
<td>Personal benefits only</td>
<td>25.2</td>
<td>23.7</td>
<td>29.4</td>
<td>16.9</td>
<td>26.5</td>
<td>30.5</td>
</tr>
<tr>
<td>Job and personal benefits</td>
<td>68.2</td>
<td>69.1</td>
<td>65.7</td>
<td>79.4</td>
<td>66.2</td>
<td>60.9</td>
</tr>
</tbody>
</table>

* Estimate not reliable due to small sample size (< 30) and should be used with caution.

Source: Student Outcomes Survey 2007.
Poor literacy is widespread and associated with lower pay

The 2006 ABS Adult Literacy and Life Skills Survey (ALLS) measures the literacy skills of Australians aged 15–74 years, covering the four domains of prose and document literacy, numeracy and problem-solving ability. Analysis of these data shows that at least half of the adult population has less than adequate literacy in each of the four literacy domains.

Employment is associated with better literacy levels than non-employment; however, analysis of the Adult Literacy and Life Skills Survey showed that men’s employment was less sensitive to their literacy skills than was women’s employment, regardless of the literacy domain in which they were deficient. Low numerical literacy amongst women was associated with the widest gap between men’s and women’s rates of participation in paid work (Skinner & King 2008, p.53).

The survey data also show that low literacy is strongly associated with lower-paid occupations. For all literacy measures, workers with poor literacy are 2.15 times more likely to be employed in lower-paid than higher-paid occupations. When we analyse weekly pay and literacy, the association between low pay and low literacy is confirmed. However, once again there were large differences between men and women. Overall, women with below minimum literacy had about twice the likelihood of earning below average weekly earnings than men with the same literacy skills. Conversely, there was a positive relationship (and of a similar order of magnitude) between good literacy proficiency and higher earnings.

The effect is even stronger for those with low numerical literacy, although in this domain there was little difference between women and men: those with low numerical literacy were 2.44 times more likely to be employed in lower-paid jobs.

These findings show how important basic education is to shaping earnings. Educational interventions in relation to the working lives of lower-paid workers need to extend well beyond vocational skills and must engage with the issues of poor literacy. Such widespread problems help to explain the disengagement of many lower-paid workers from VET and contribute to their low confidence when they engage with VET. They may also help explain the low returns that flow to many low-paid workers after they complete VET.

We now turn to the work–life outcomes of those studying and working, before considering the perceptions of the workers, students, employers and educators themselves.
Work, life and study pressures: AWALI analysis

How are work–life pressures affected by participation in education, including VET, and how do these vary for those on low or high incomes? In 2009, we undertook a large survey of Australian workers to investigate this, building on the analysis of existing surveys, summarised in the preceding section.

The 2009 Australian Work and Life Index (AWALI) comprised computer-assisted telephone interviews (CATI) with 2748 workers randomly selected from the adult Australian employed population. Just over half (50.6%) of those successfully contacted by phone participated in the survey. (For a description of AWALI 2009 see Pocock, Skinner & Ichii 2009, <http://www.unisa.edu.au/hawkeinstitute/cwl/projects/awali.asp>.) AWALI measures perceptions of work–life interference and focuses on five measures:

✧ ‘general interference’ (that is, the frequency that work interferes with responsibilities or activities outside work)

✧ ‘time strain’ (that is, the frequency that work restricts time with family or friends)

✧ work-to-community interference, measuring the frequency that work affects workers’ ability to develop or maintain connections and friendships in their local community

✧ satisfaction with overall work–life ‘balance’

✧ frequency of feeling rushed or pressed for time.

By ‘interference’ we mean negative spillover from work to home (see Pocock, Williams & Skinner 2007 for a rationale for the AWALI measure). These five measures of work–life interference are combined to arrive at an overall work–life index that is scaled from 0 (best work–life interference) to 100 (worst work–life interference). Thus the index provides an easily understood general measure of work–life interference. In the 2009 survey the average score on the index was 43.3, not significantly different from the preceding three years.

The AWALI 2009 sample on the whole provides a good representation of the Australian labour market with respect to gender, state/territory, employment arrangements and age. The sample is fairly representative by occupation, although there is some over-representation of professionals and those with a university qualification. Full-timers and casuals are slightly under-represented in the surveyed group, while part-timers and fixed-term employees are slightly over-represented, compared with ABS data.

Work–life interference

Many employees experience frequent interference from work in their personal, home and community lives, and feelings of time pressure are also common. In 2009 around one-quarter of employees felt that work ‘often or almost always’ interfered with activities outside work and their time spent with family and friends. Just over half (54.2%) of employees frequently felt rushed or

Data referred to in this chapter are available in the report Work–life issues and participation in education and training (Skinner 2009).
pressed for time. However, the majority of employees (67.5%) were broadly satisfied with their work–life balance, with little change from 2008.

AWALI surveys (2007, 2008, 2009) have established that work–life pressures are stronger for women, parents, those working longer hours and those in the peak years of family formation and work responsibilities (25–44 years). Figure 1 illustrates how work–life pressures (as measured by AWALI) increase with more hours at work. Part-time workers generally have lower levels of work–life pressures, reflecting their shorter hours. However, they feel as rushed and pressed for time as full-time male workers. Further, casual workers report the same work–life pressures as permanent employees when comparing those who work the same hours.

Figure 1 Work–life index scores by short and long work hours and gender, AWALI 2009

![Work–life index scores by short and long work hours and gender, AWALI 2009](image)

Note: PT = part-time, FT = full-time. Hours usually worked per week used to categorise short part-time (1–15 hours), long part-time (16–34 hours), standard full-time (35–47 hours) and long full-time (48+ hours). Figure excludes self-employed persons. N = 2276.

Work and life and high and low pay

Work–life pressures have been studied much more amongst higher-paid professional and managerial workers than the lower-paid. However, the latter's work–life pressures are also very real. Past surveys of work–life interference in Australia show that work–life pressures amongst the higher and lower-paid are commensurate when we control for working hours (many higher-paid workers work long hours, which are associated with high work–life interference).

Higher-paid workers have more resources to purchase time-saving supports such as pre-prepared food, formal childcare, a car and cleaning, housekeeping and gardening services. Their higher level of resources also means they have a better chance of aligning where they live with where they work and the services they need. Lower-paid workers often live a long way from their jobs because they need cheaper housing and are more dependent upon time-intensive public transport. More of them are sole parents, who lack both support and income as they put together their jobs, education, care and housing (Williams, Pocock & Bridge 2009). Therefore, it is important to consider how personal and household income affects work–life interference.

In 2009 we collected data on annual personal income, which reflects an individual's work hours as well as their pay rate. Higher-paid occupations (for example, managers and professionals) are typically ‘long hours’ occupations. The average hours of AWALI 2009 respondents earning more than $90 000 were 48.3 a week, compared with 22.8 for those earning less than $30 000.

As shown in figure 2, when we control for differences in working hours, the relationship between personal income and work–life interference is ‘U’ shaped, with the least interference evident.
amongst those earning in the range of $20 000–$60 000 and the worst at either end of the income scale. Beyond the beneficial effect of shorter hours, low income is not associated with a better work–life relationship: in fact, it is worse than for those earning mid-range incomes. For each income group, women’s work–life interference is worse than men’s, adjusted for work hours.

Figure 2 Work–life index scores by personal income

Note: Figure excludes self-employed persons. Index scores adjusted for work hours. N = 2076. Note higher AWALI score indicates worse work–life interference.

Work, life and study

What happens to work–life interference when we add study to the mix? And who is most affected amongst low- and high-paid workers? Since occupational status and income are not precisely correlated, we also use personal income to identify low-paid workers, with the low-income group defined as those earning less than $30 000 per year, the middle-income group defined as those earning between $30 000 and $59 999 and the high-income group earning $60 000 or more.

Overall, nearly one-quarter (24.3%) of employees were participating in some form of education and training (for example, university, VET or other) at the time of the AWALI 2009 survey (table 4). Participation in education or training was more likely for those in the lowest income group (< $30 000) (43.3%), part-time workers (36.0%), casual employees (43.0%), those with Year 11 or 12 as their highest level of education (42.4%) and younger persons (57.3%). Women were more likely to be participating in education or training (27.7%) than men (21.2%), and this was the case regardless of occupation. Men were more likely to be participating in education or training compared with women in the lowest income category (< $30 000) and amongst part-time workers.

While there was little difference in the rates of participation in education or training between those in low-paid or higher-paid occupations, those in the lowest income group were most likely to participate in education or training (43.3%), which probably reflects the high proportion of younger people (including those studying and working) in this lower income group. Men in low-paid occupations working full-time had relatively low rates of participation in education compared with younger men and higher-paid men, suggesting they may be particularly disadvantaged in access to education and training.
<table>
<thead>
<tr>
<th>Table 4</th>
<th>Participation in education and training by employment characteristics and selected socio-demographics, AWALI 2009 (% in education or training)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
</tr>
<tr>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>All</td>
<td>570</td>
</tr>
<tr>
<td>Occupation</td>
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<td>Low-paid</td>
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</tr>
<tr>
<td>Higher-paid occupation</td>
<td>264</td>
</tr>
<tr>
<td>Income</td>
<td></td>
</tr>
<tr>
<td>&lt; $30 000</td>
<td>253</td>
</tr>
<tr>
<td>$30 000–$59 999</td>
<td>138</td>
</tr>
<tr>
<td>$60 000–$89 999</td>
<td>82</td>
</tr>
<tr>
<td>$90 000+</td>
<td>56</td>
</tr>
<tr>
<td>Work hours</td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>300</td>
</tr>
<tr>
<td>Part-time</td>
<td>269</td>
</tr>
<tr>
<td>Employment type</td>
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<tr>
<td>Permanent/ongoing employee</td>
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<tr>
<td>Fixed-term employee</td>
<td>60</td>
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<tr>
<td>Casual employee</td>
<td>179</td>
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<tr>
<td>Highest level education</td>
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</tr>
<tr>
<td>University</td>
<td>196</td>
</tr>
<tr>
<td>VET</td>
<td>176</td>
</tr>
<tr>
<td>Year 11 or 12</td>
<td>168</td>
</tr>
<tr>
<td>Year 10 or below</td>
<td>25</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>18–24 years</td>
<td>235</td>
</tr>
<tr>
<td>25–44 years</td>
<td>224</td>
</tr>
<tr>
<td>45+ years</td>
<td>111</td>
</tr>
<tr>
<td>Parental status</td>
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</tr>
<tr>
<td>Resident child 17 years or younger</td>
<td>263</td>
</tr>
<tr>
<td>No resident children</td>
<td>308</td>
</tr>
</tbody>
</table>

Notes: Weighted ('000) sample size (N): All N = 2065; men N = 949; women N = 1116. Includes all forms of education and training: university, VET and other.

Work, life and study amongst the low-paid

Work–life interference is worse for those participating in education and training, and this is greatest for employees in low-paid occupations. Table 5 shows AWALI scores for those participating in education or training compared with those who were not. As work hours have a significant impact on work–life index scores, AWALI scores adjusting for these differences are also provided. Those participating in education or training had worse work–life interaction (that is, a higher index score) than those who were not, controlling for differences in working hours.

Worse work–life interaction is evident both for low-paid occupations and those in the lowest income bracket. Women participating in education or training consistently had higher work–life conflict compared with men.
Future VET participation and work–life pressures

Looking ahead, those in lower-paid occupations were less likely to expect to participate in education and training in the next 12 months than those in higher-paid occupations. Women working part-time with higher incomes were more likely to indicate this likelihood than part-time women with lower incomes, suggesting that, while part-time work might assist higher-income women’s participation in education or training, this is not the case for lower-income women.

A strong age effect is evident in relation to future participation: 60.4% of those over 45 felt that their future participation in education or training was not at all likely, compared with 48.3% of those aged between 25 and 44, and only 30.1% of those aged 18–24.

Compared with workers in higher-paid occupations, workers in lower-level occupations were less confident of employer support for their future education or training. Women were less confident of employer support than men across the income spectrum.

The majority of employees, whether in higher- or lower-paid occupations, felt that work–life pressures would inhibit their future participation in education or training: just over half agreed that it would not fit with their family or life commitments. Seventy per cent felt that time constraints would prevent their future participation and around half also anticipated financial problems from participation in education or training. Women were more likely to have concerns about time constraints and work–life fit barriers than men.

Nearly half also reported a lack of interest in education or training, and more of those in lower-paid occupations, especially lower-paid men, of whom nearly 60% reported a lack of interest.

The prospect of a work–life penalty for participation in education or training was obvious to women who were not currently studying. Of those who were not currently studying and did not expect to participate in education or training in the next 12 months, women were more likely to report that such participation would create work–life problems and that they would not have time to study.
Table 6  Barriers to participation in vocational education and training reported by employees not likely to undertake education or training in the next 12 months by gender and work hours

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent agree/ strongly agree</td>
<td>Per cent agree/ strongly agree</td>
<td>Per cent agree/ strongly agree</td>
</tr>
<tr>
<td>Full-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and training would not fit in with your family and other life commitments</td>
<td>53.3</td>
<td>58.4</td>
<td>55.0</td>
</tr>
<tr>
<td>You do not have enough time to undertake education or training</td>
<td>67.5</td>
<td>78.2</td>
<td>71.1</td>
</tr>
<tr>
<td>Your employer would provide some support (pay course costs, allow time)</td>
<td>67.4</td>
<td>60.3</td>
<td>64.9</td>
</tr>
<tr>
<td>You are just not interested in education or training</td>
<td>47.8</td>
<td>57.5</td>
<td>46.0</td>
</tr>
<tr>
<td>Part-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and training would not fit in with your family and other life commitments</td>
<td>52.2</td>
<td>55.1</td>
<td>54.4</td>
</tr>
<tr>
<td>You do not have enough time to undertake education or training</td>
<td>36.5</td>
<td>66.7</td>
<td>59.3</td>
</tr>
<tr>
<td>Your employer would provide some support (pay course costs, allow time)</td>
<td>52.4</td>
<td>53.8</td>
<td>53.4</td>
</tr>
<tr>
<td>You are just not interested in education or training</td>
<td>59.7</td>
<td>50.8</td>
<td>51.9</td>
</tr>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and training would not fit in with your family and other life commitments</td>
<td>53.3</td>
<td>56.6</td>
<td>54.8</td>
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<td>You do not have enough time to undertake education or training</td>
<td>63.6</td>
<td>72.7</td>
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<tr>
<td>Your employer would provide some support (pay course costs, allow time)</td>
<td>65.5</td>
<td>57.5</td>
<td>61.8</td>
</tr>
<tr>
<td>You are just not interested in education or training</td>
<td>49.8</td>
<td>45.6</td>
<td>47.8</td>
</tr>
</tbody>
</table>

Note: Table excludes self-employed persons. N = 942.

Men in lower-paid occupations were most likely to be disengaged from current and future participation in education and training. Lower-paid men working full-time reported the lowest rate of current participation (12.1%) and lower-paid men who were not currently studying were also most likely to report that they were unlikely to engage in future education or training (nearly 40%). It seems that there are two distinct groups of lower-paid men: those confident of their future participation in education or training and those who are disengaged and uninterested. Age is an important element in explaining the difference.

Many of those in lower-paid occupations (61%) believed that education or training would provide opportunities for promotion, more interesting work or a pay raise. While this no doubt holds for most university graduates, the analysis of VET student outcomes reported above, suggests that this may be overly optimistic in relation to VET, given that two-thirds of VET graduates do not move into a different occupational skill level or receive a higher income after training when surveyed in the year after their training finished. This positive expectation was strongest amongst younger people (many of whom are studying for degrees), and weakest amongst men in the lowest incomes category.

This analysis of work–life and education shows that workers in low-paid occupations or on low incomes experience stronger negative work–life effects when they study than workers in higher paid situations. This effect is particularly strong for women. However, men on low incomes also face problems, with low interest in future education.

We now turn to the perspectives of low-paid workers and their employers and educators.
Qualitative evidence about VET, work and life and low-paid occupations

Interviews and focus groups with workers, students, managers and educators in food processing, retail and non-residential aged care (reported in Pocock et al. 2011) confirm many of the findings arising from the surveys analysed above. To pursue this qualitative perspective, we conducted focus groups and interviews with:

- 86 employees in retail, food processing and non-residential aged care of whom 24 (28%) were also undertaking VET study
- 18 students in VET education in retail and non-residential aged care
- 16 employers/industry representatives (including first-line supervisors, human resources managers, plant managers, training coordinators, members of industry training councils and peak bodies and representatives of employer or union peak bodies)
- 14 vocational educators (including classroom teachers, student coordinators, institutional leaders, workplace-based educators and coordinators).

The three industries of non-residential aged care, retail and food processing are very different. However, all are significant employers in Australia, and all expect employment growth, while sharing some challenging workforce problems, including an aging workforce. Each of them has a significant proportion of low-paid jobs. There are diverse ‘types’ of low-paid workers in these sectors: those who are employed for short periods while they are studying or making their way to other occupations and those who are long-term workers in the sector. Our interviews focus upon the latter.

Each of these industries is labour-intensive and most operate on tight margins: this affects their capacity to invest in the development of people. At the same time, each is critically dependent upon the skills and capacities of its workforce. For many workers in each industry, pay rates are low and organisational structures are flat. Many workers are long-term casual or part-time employees. Pay returns on higher skills or qualifications are often low or non-existent. A pay increase of around 50 cents to $1 an hour is common for workers who achieve a certificate III. Their hourly rate is often around $15–17/hour (in 2009–10).

Some training challenges are shared across these three industries. For example, some stakeholders, including some educators, training providers and human resource managers, suggest that training places and incentives for employment and/or training are poorly targeted, and in some cases low-paid workers describe training that ‘ticks the box’ to meet audit requirements but delivers few new, relevant skills and is of poor quality. Sometimes new training schemes are hastily implemented, so that managers and educators scramble to find students to fill places, and to put together good-quality, appropriate training opportunities.

Most of the employees and students interviewed in this study were involved either in in-house training that was unaccredited (like product knowledge and occupational health and safety training) or in certificate III courses. Training arrangements in the three industries varied according to a range of factors, including the nature of the product/service, costs and profit, and prevailing training arrangements.

Not surprisingly, interviews showed great diversity in enterprises. For example, one food processing firm was privately owned, profitable and invested strongly in a well-developed internal
education and training program that was well integrated in the firm’s overall strategy. It was at the ‘high end’ of investment in a knowledgeable, long-tenured workforce and was constantly improving production processes, including in relation to minimising environmental impacts. At the other end of the spectrum were accounts from employees, managers and educators in a smaller food processing company where investment in training was much lower and was greatly constrained by production demands. This diversity was evident in all three industry sectors.

The experience of low-paid work and the constraints it imposes on VET participation

For many employees, low-paid work is physically taxing. Low hourly rates, part-time hours and the lack of promotional possibilities mean that many low-paid workers have very limited financial resources. As Mandy, a retail worker, describes:

> We’re doing a horrific roster, we’re doing a Friday night, coming back Saturday at 8.30 and working and we’re not even getting a weekend break and they said ‘business needs’. But you still have to have a family life balance. (Mandy, retail, WA)

Often these additional hours meant that these workers were ‘rushed off their feet’ and exhausted at the end of a long shift, straining their work–life balance and sapping their energy for additional activities like VET participation. Aged care workers’ hours were linked to client needs, food processing workers’ hours were linked to production demands and retail workers’ rostering was shaped by economic circumstances:

> Your hours get adjusted also by what happens to your clients. Sometimes they go into respite. Sometimes they pass away. So your hours can really fluctuate. You can have a lot one week and then within two or three weeks it can be all gone. I am not working as many hours as I would like at the moment. (Linay, aged care, Qld, studying a certificate III in aged care)

The nature of work can constitute a barrier to participation in VET, where jobs are physically or emotionally draining, unpredictable, inflexible, or where past educational experience—whether in another occupation or country—has exhausted enthusiasm for learning new skills. Alternatively, the conditions of work—like flexibility and reasonable, predictable hours—can also encourage and support VET participation.

What motivates VET participation for employers and employees?

VET in low-paid occupations is often driven by mandatory job requirements: many workers train for the simple reason that they must in order to get or retain work, for example, in relation to health and safety, safe food handling, and certification requirements. In the aged care sector, for example, certificate III is increasingly a minimum qualification, and many workers who are studying for it see this VET participation as an activity essential to job security. As one training coordinator describes, higher earnings are a weak driver for these workers:

> The difference between someone who walks in off the street who has never done aged care before … and someone who has worked with us for 18 years and has done a Certificate III, perhaps a Certificate IV, has done every course known to man, is probably only something like $1.10 per hour … A lot of [employees] have [asked] ‘if we get the Certificate III will our pay go up?’ Well no, it’s a Certificate III plus 1500 hours of aged care work as well, before you’ll find much difference in your pay. Then we’re talking about each one of the levels going up only perhaps 40 cents or 50 cents as you go up a level. So it’s nothing that a care worker can look at and say ‘Wow, I’ve done this effort, so now I’m going to get this reward’.

(Betty, training coordinator, aged care, SA)
In most cases, the expectation of a higher rate of return does not drive VET in these occupations either for workers or their employers. In the retail sector, especially in smaller firms and those with high rates of turnover and/or casual workers, beyond mandatory training (for example, for pharmacy assistants to be able to handle certain products), employers seek ‘cost neutral’ training (or training that was actually profitable, through receipt of government training subsidies in excess of true costs). As one human resources manager in retail put it: ‘I’d love to say that employers are training-focused but they’re not. They’re dollar focused’. The cost–benefit calculation around training did not look inviting to many of these workers, some of whom gave up considerable amounts of their own time to complete a certificate III training, for example, as well as paying the costs of books, computers, travel and in some cases at least a portion of fees. Very flat employment structures and small pay increases for qualifications mean that most were not optimistic about significantly higher earnings.

Gaining a credential: how important?

For many workers in low-paid jobs, especially older workers, gaining ‘a piece of paper’ was not a priority. They hoped to be able to explain their experience to future employers and did not believe that qualifications would necessarily improve their employment or promotion chances. Given the reference made by some managers about the importance of behavioural characteristics to recruitment decisions, this view may well be justified in some low-paid jobs. In other cases, workers had certificates but they were not recognised, or the skills were not integrated into the work allocation and job design. For shift workers, whose time and energy is short, this kind of wasted training burns out interest in learning. Younger workers, who anticipate job mobility, showed more interest in achieving formal qualifications with industry recognition. Many more were motivated by the possibility of learning skills that help them solve challenges in their jobs; in some cases, learning of this kind—practical and relevant—led to credentials and further training, but the latter were not usually a primary motivation.

Compliance-driven training: quality learning—or adding insult to injury?

Unfortunately, compliance-driven education is not always of high quality. It sometimes constitutes ‘tick the box’ confirmation of existing knowledge, or poor-quality training offered in the form of out-of-date workbooks or training exercises that do not relate well to actual work. In other cases, employees report learning new and interesting things in their courses—sometimes after decades on the job—and often through peer classroom exchanges rather than formal content.

This mandatory compliance ‘stick’ drives much employer and employee investment in training in these low-paid occupations. Generally workers do not calculate—even implicitly—how their investment of time and money might create a positive return later—except that the absence of mandatory skills might cost them their jobs:

You’ve got to jump through the hoop to be an aged carer … You have to have the piece of paper [certificate III]. (Aged carer, Qld)

Employees undertake training in this context, not as part of a career progression or in pursuit of higher pay and more challenging work, but in order to retain their jobs. On the employer side, course attendance is required of employees either because of regulatory requirements or because training subsidies have been received and require evidence of training. In this context, and bearing in mind the significantly higher work–life interference that arises for low-paid workers who participate in VET, this means that mandatory training needs to be necessary, relevant, good-quality training that confers real learning. Training that simply meets arbitrary targets for certain proportional levels of population certification, for example, is likely to add stress to the lives of low-paid workers without necessarily improving their actual level of skill, pay or prospects. This kind of training adds a VET insult to the injury of low pay.

The comments of many low-paid workers and students in low-paid occupations about the quality of their training raises the question of their opportunity for evaluating the quality of their courses
and voicing dissatisfaction where it occurs. While university students have the opportunity to evaluate the quality of teaching and courses in almost all courses, with these evaluations affecting funding and teachers’ promotional prospects, such opportunities are perhaps less available to VET students, especially those engaged in mandatory training, those whose time is short and those who are less accustomed to articulating their dissatisfaction. Some of the most trenchant criticisms about education quality in low-paid occupations in our study arose from those who had been teachers or trainers in their own past working lives. For example, Sally is a retail worker who was a teacher for 38 years and who is now doing a certificate in horticulture. She compares her on-the-job training with the formal VET learning environment in her horticulture certificate:

The online training here is so much more interesting than TAFE. That is the most boring thing. I’m appalled that things haven’t changed in all this time since I last did a course. You sit there and they drone on and you have to learn it by rote … No wonder people drop out. It’s just ‘Here’s your notes, read through’. (Female retail worker, studying horticulture)

Training partnerships: transformational or transactional training
In many cases the quality of the training partnership between employers, employees and training providers was important to VET realising dividends. Strong partnerships with positive outcomes involved trainers who ensured that training related to actual operations and was nationally accredited. This took effort on the part of the employer: to carefully partner with a training provider who could assure this and offer quality training that reflected local workplace processes. ‘I don’t want a provider who’s read a book, and is just going to spit it back’, as one manager in food processing put it. In this case, an external provider worked closely with local staff to develop in-house training in process improvement, carefully integrating education with the work process. As the human resources manager put it: ‘It is important to take a holistic approach … We’re not just doing the training, we are embedding the training in the processes that enable [it to be used] … it’s important that training providers know your business and that they provide training that is tailored to your business’. The government subsidy for certificate IV training meant that cost to the firm was minimal in this case.

A similar perspective arose in aged care, where a representative of a peak council for training in aged care explained that training providers who worked closely with workplaces beyond delivering a single course outcome could result in more long-lasting skill gains, linked to organisational processes:

[RTOs] working with organisations around the transformational process rather than the transactional process in relation to their workforce is a much more useful outcome for everyone … It’s not happening everywhere, but it is happening and it is a critical issue. If we can significantly change the sort of relationships that registered training providers, VET institutions and workplaces are having [that will help enormously]. It’s then not about how many students can I get, it’s actually about what sort of relationship we need to manage so that the workforce can progress … an RTO partner who can actually support workforce development—and it’s not all about qualifications, it’s about skill sets, and planned interventions. (VET industry training representative, aged care, Qld)

High turnover in some low-paid occupations acts as a systemic disincentive for employers to invest in training. While some managers believe training to be important, they do not want to spend money (and time) training workers for their competitors. This presents a conflict of interest as low-paid workers want to enhance their job mobility through qualifications, while employers want to retain staff and reap returns on their investment in training. The degree of this conflict varies between the three sectors and is shaped by the structure of ownership (for profit or not) and funding systems.

A learning culture in the workplace
Some workplaces support training by adopting a learning culture that is embedded in workplace culture and practice. This creates strong workplace-based drivers for employee participation in
VET. For example, one retail establishment provided online learning work stations, set a mandatory number of training hours per employee per year, required supervisors to release staff to participate in learning, included this in supervisory performance evaluation, and celebrated training successes. Such an approach is unlikely in smaller workplaces and requires an investment in human resources and training capacity, as well as integration of VET, job design and management.

Learning, confidence and power

Some low-paid workers with low confidence about learning are more likely to engage with VET if they perceive a ‘fit’ between their past experiences and the training they undertake. For example, women returning to the workforce after childrearing identified work in the aged care sector as close to their household experience. Mercy, for example, works in the aged care sector and also cares for her elderly mother who has Alzheimer’s disease, this experience providing her with the compassion and confidence to care for elderly people.

Many low-paid workers value what they learn at work: they say that ‘good jobs’ allow them to keep learning—from each other, from experts, from experience and from formal training. This motivates their participation in VET—where it was relevant and useful:

> It pays off because you’re able to give that customer the information that they need and there’s satisfaction. (Peggy, retail, WA)

Learning gave some the capacity to do their job better and this knowledge conferred power—a power that low-paid workers enjoyed, as Kelly describes:

> I had a gentleman the other day, wanting some timber cut and I’d only just recently learned how to use the docking saw. And he goes ‘Aren’t there enough males here to do that?’ And I go ‘Well, that’s why I learn, so I can do it’. He goes ‘Oh well, it’s usually the males’. I’m like ‘Well, I’m here. Do you want me to do it or not?’ And I did it and finished it, and it was all done. Sometimes I like getting those customers just so I can stick it to them. (Kelly, 18, retail, WA)

Stepping up and stepping down

Some workers and students see low-paid work as a stepping stone to higher-paid work either in their current workplace or another. These aspirations motivate training. There were also many examples of workers—including a number of older men ‘stepping down’ from higher-paid work to pursue work that they found more meaningful and useful.

Arthur, for example, who had previously worked as a first aid officer in a mine, explains the appeal of aged care work, saying it would not have appealed when he was a younger man. The lower level of stress and enjoyment of care work are attractive to him and he is completing a certificate III, which is increasingly required in this occupation:

> I find it more rewarding, I think especially at my age. I think if I was younger I probably wouldn’t want to be doing it at all … But I’ve always loved older people and disabled people all my life. Because I’m older I don’t want as much stress as I had before. (Arthur, aged care worker, Qld)

Clearly there are multiple drivers for VET amongst employees. These vary over the life course and by age, gender, industry, and the nature of product/service as well as local workplace cultures.

VET drivers for students studying in low-paid occupations

Most students interviewed or involved in focus groups were studying to get a job: as one educator put it ‘It’s jobs and money’. VET students saw their study—mostly at certificate III with some at certificate II—as a gateway to work. Gaining a recognised qualification was the goal, and some were paying high fees (especially international students) in the hope that this occurred. Recent evidence on the rate of return accruing from study at certificate III suggests that their confidence
may not be misplaced. Long and Shah (2008) found that low-cost, one-year certificate III and IV courses were associated with a 23.6% rate of return for men and 18.1% for women (Long & Shah 2008, p.40). However, such calculations vary with the assumptions that underpin them and our interviews suggest that some of the cost, fee and income assumptions used in that study do not hold for some students. Further, there is a significant difference between certificate III and IV, which are collapsed in Long and Shah’s calculations.

A number of students in certificate III courses in aged care and retail were looking to rejoin the workforce. Many of these were women returning to paid employment after childrearing. For instance, Tanya has two children and has been out of the workforce for 15 years. Now that her youngest child has started school, Tanya sees her studies in aged care as a stepping stone into her dream job of nursing. Others were studying to gain qualifications to change their career. Most of these participants were looking for less physically demanding or more intrinsically rewarding work. For example, Gemma has eight children and has not studied since she left school and has decided to move away from her supermarket job and work in aged care in search of more rewarding work—‘just to see the look on people’s face when you help them’. Anthony is studying for a retail job in order to ‘avoid spending the rest of my life welding’.

Some students were motivated by the ‘mutual obligation’ requirements that they attend retail and aged care courses in exchange for welfare support. They often found it difficult to juggle care for their children with study requirements. Some fee-paying students who shared classrooms with ‘conscripted’ students saw such students as disruptive or weakly committed to learning.

Barriers to VET participation for students and for employees

The many barriers—time, money, literacy and educational practices—affecting the participation of workers in VET are well summarised by a union official representing aged care workers:

A lot of these workers have low levels of literacy and they find it difficult to have that exposed … Then there are financial commitments so that having to make a contribution in any way to the cost of their training will be an impediment. Time commitments and their family-work commitments make it very difficult to find the time to invest in training, though they do see that investing in training will be beneficial to them. They ask, ‘Why do I need a piece of paper to do what I already do?’ Also the length of commitment to training is too long for them and they prefer on-the-job learning to formal learning.

(Union official, aged care, SA)

Some low-paid workers faced barriers in getting to training classes, opposition from their partners and children, or they lacked good study spaces. For many, family responsibilities conflicted with study. Others spoke of their community obligations and the need for these to fit with their study.

Time

Workers articulated a lack of time and energy as amongst the main barriers to participating in VET. As a retail worker put it:

I wouldn’t do any [training] outside work hours because of that simple reason [time]: How would I cook dinner? I’ve got to do the washing and all the rest of it.

(Haley, retail worker, SA)

The time workers had for learning was strongly shaped by the demands of work and home and by the time demands of VET courses. These varied widely. One interviewee reported workers who had achieved a Certificate IV in Training and Assessment in four days, while other workers studied for 18 months or to complete lower-level qualifications.

The incorporation of training into paid working time was vital for low-paid workers. However, access to paid study time was very variable, even in the case of mandatory training. Many workers studied in their own time, or completed some of their study at home. As a result, some workers
avoided study; not surprisingly, this changed over the life course. ‘I don’t want to go home and
study, I want to spend time with my family’ as one male manufacturing worker describes his
inclinations. Time, money and life stage factors were often mentioned together:

When you work full-time and you’ve got a household to run, you don’t have enough hours in
the day really to properly put everything you need to put into study, to be successful with
what you want to do. It’s that side of it—and also probably the financial side of it as well.
(Chloe retail, SA)

Many struggled to juggle caring and home commitments with study:

I look after my parents … so there’s never any time for me really because you sort of go to
TAFE, come home, get changed, go to work, come home, look after everyone else, go to bed
and get up and do it all over again. (Ellie, aged care Qld)

Not all families were happy with the outcomes of this juggle: Tanya says of her aged care study and
work combination ‘I found that the [VET study] has really impacted on my family. The days I go to
TAFE, no one’s happy.’

Unfortunately, some students and workers who were studying felt that their study was not always
of a high quality or relevant. When time is short, useless training is painful. Brod, a retail worker,
finds much training boring or useless, and he is cynical about whether training will give him job
protection or is simply a tax ruse:

I know I don’t want to study. I’m just not that way inclined any more. Every job I’ve done
has [required training] to get you to some level, and then they pull the pin out of that job. So
it all seems like a lot of the study at work is just there to cover their own butt in the sense that
they get the tax break at the end of the year because they’re training people. And you have to
sit there and smile and tick the forms. (Brod, retail, WA)

Relevance was a vital and much-discussed aspect of training for employees who were studying.
Those engaged in on-the-job learning that was closely linked to actual work processes or client care
valued it highly.

Workers were very upset by training that was out of date or irrelevant. This was a major source of
disengagement for some. Where time and money are in such short supply, it is not surprising that
many employees and students look for good-quality, relevant, applicable skills and hope for high-
quality workbooks and educators.

Not surprisingly, in view of the analysis of literacy in the Australian workforce given above, and
especially in low-paid occupations, many employers, educators, workers and students identified
poor language and literacy skills as a barrier to learning. For some, help with this was a critical first
step towards any success in learning.

Money

Many workers indicated that they were not interested in training if it involved a cost to them—
whether time or money. Some had drawn on their credit cards, superannuation or extended family
to meet fees and costs. For example, David is on disability pension ‘because of my injuries’. He has
drawn on his superannuation to ‘afford the finance to come [to study]’. Lack of fee support and the
prospect of costs or foregone income prevented many from VET participation. As Bill working in
aged care describes:

If you’ve got to pay rent and bills and feed kids and all that sort of thing. Where are we going
to find so many thousand dollars to enrol in a course? You’ll just think ‘Oh I’ll just stick to
the job I was doing before; at least I get an income’. (Bill, aged care, Qld)

The fee costs to low-paid workers varied widely. Some employers worked with training
organisations that organised subsidised training places and fees were reduced. In some cases
employers paid all fees. However, the timing of training, the type of training schemes and subsidies
on offer, the nature or presence of training brokers and the local/state arrangements in relation to
fees resulted in very diverse fee and cost outcomes. Workers and students in very similar life and income circumstances faced very different levels of financial cost, with variable knowledge about entitlements and arbitrary and changing eligibility criteria. In some cases, employers received very significant incentives to employ trainees on discounted trainee wages, but did not use these funds to directly help trainees to meet their course fees. Beyond fees, many low-paid workers or welfare recipients in training found the costs of texts, computing, travel and work clothes (while on placement, for example) hard to manage. Many sought to pay fees in increments and this arrangement was very helpful to many where it was available.

Challenges for students

VET students shared many of the time and money barriers that affected workers: limited time to study and costs like course fees, travel, materials and computing expenses. As May, studying retail after 11 years unemployment says ‘The main challenge is … I still have to go to work on weekends. In the week I am here [at TAFE] so I’ve got no time off, no time for me for the month, and I’m really exhausted’. May’s course cost $1440 and she put half the cost on her credit card: ‘It’s a lot for me. I am over 50. I had to pay the whole price. There was no discount, which I thought was a bit sad.’

Challenges for VET educators

VET educators agreed with the challenges identified above. Many worked hard to meet the needs of students, but for some the challenges were immense. Educators faced difficulties finding enough resources to meet the needs of students who in some cases had complex, multiple needs. The provision of appropriate levels of general support, assistance in navigating education and income support systems, job search advice and other forms of pastoral care were a vital part of the role of educators working with students in these occupations. Students and educators drew attention to the meagre and inadequate funding for pastoral care and saw ‘wrap around’ support of this kind as very important.

Workers and students valued educators who respond comprehensively to their learning and life situations. Such supporters—whether in VET classrooms or on the job—were highlighted by workers and students as a major support and often the chief reason that they persisted in their learning or courses. Good teaching pedagogies that take account of challenges, such as limited literacy, negative past educational experiences and complex family demands, were vital.

For those learning on the job, time to learn, the availability of co-workers and supervisors to coach and teach, and supervisors’ time and support to complete workbooks or assignments were very important. For some, access to online development and training was very valuable. However, both workers and students highlighted the importance of social interaction in training, and the support of supervisors and co-workers; without these, online education would not have worked for many interviewees.

There are gendered differences in the barriers and supports for training in low-paid occupations, not least of which were the domestic work and caring responsibilities that women disproportionately carry. These affected the time and money that individual women could devote to VET.

Modelling the complex domains of work, home and VET

Our analysis suggests that a number of factors shape the difference that VET can make in the lives of low-paid workers in their work, family and community contexts. Together these factors make up a system that determines the VET opportunities available to low-paid workers, their success at utilising them, and their outcomes. This system is made up of a set of ‘work’ arrangements—at job,
workplace, industry and national level. This multilayered ‘work’ domain intersects with the domains of household, community and VET. The way that work intersects with these other domains and the larger lives of those employed in, or training for, low-paid occupations shapes effective opportunities and the outcomes of VET.

Employers, managers and supervisors also live in this world of multiple domains, as they make calculations about when, how and how much to invest in skill development and its utilisation. Parts of this system operate in perverse and contradictory ways. For example, some employers have a strong disincentive to see their low-paid employees increase their skills for fear they will add to already high rates of labour turnover.

A set of work-related factors contribute to VET outcomes in low-paid occupations. Some arise from overall labour market settings, while others are industry-related, or are determined at the workplace or job level. Table 7 sets out relevant factors at all four levels: individual job, workplace, industry and larger labour market.

Table 7  Four levels of work and their VET ‘drivers’

<table>
<thead>
<tr>
<th>Level</th>
<th>Work-related factors that shape VET outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour market</td>
<td>Industrial laws, awards, enterprise agreements (statutory standards, facilitative rights, and enforcement machinery)</td>
</tr>
<tr>
<td></td>
<td>Age of workforce, literacy, unemployment level</td>
</tr>
<tr>
<td></td>
<td>Education system: schools, VET, tertiary</td>
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<tr>
<td></td>
<td>Social norms (for example, work–life expectations and gender norms)</td>
</tr>
<tr>
<td>Industry</td>
<td>Industry regulations that drive compliance-related training (OH&amp;S, product regulations, training and skill requirements)</td>
</tr>
<tr>
<td></td>
<td>Industry training arrangements and qualification frameworks; award/enterprise job classifications</td>
</tr>
<tr>
<td></td>
<td>Nature of product market (internationalised, profit levels, service/manufacturing/other, labour intensity)</td>
</tr>
<tr>
<td></td>
<td>Funding/business model (government, not-for-profit, private profit)</td>
</tr>
<tr>
<td></td>
<td>High/low skill</td>
</tr>
<tr>
<td>Workplace</td>
<td>Structure of ownership (private, public, listed)</td>
</tr>
<tr>
<td></td>
<td>Management policies, support and investment of money and time in training</td>
</tr>
<tr>
<td></td>
<td>Workplace training culture</td>
</tr>
<tr>
<td></td>
<td>Size of firm; nature of technology</td>
</tr>
<tr>
<td></td>
<td>Supply-chain/purchaser requirements for training and certification</td>
</tr>
<tr>
<td>Job</td>
<td>Supervisor support; work intensity; colleague attitudes to training; job design</td>
</tr>
</tbody>
</table>

Beyond the domain of work and its multiple levels, home life also determines low-paid workers’ ability to engage in VET. Families acted as a demand on many in this study. They were also a source of support. For many workers it was important to find work—and education—that ‘fits’ with their family life, recognising that this ‘fit’ varies over the life course.

Our findings in relation to work, home and community life suggest that participation in VET—whether on the job or in a VET facility—is shaped by conditions at work, at home, in the community, and in the VET facilities themselves (the support they provide, hours, costs and accessibility, for example). Beyond their independent effects, these four domains—work, home, community and VET—intersect. Figure 3 maps these domains and their intersections schematically.
Our analysis suggests that several important aspects of these domains, and their intersection, affect workers’ and students’ participation in VET in lower-paid occupations (and beyond). Each of these domains is a source of potential resources and demands. For example, work can both create positive learning opportunities through quality on-the-job training, or it can send workers home too tired to study outside work hours. A lack of paid time at work to train creates a demand by increasing pressure on workers, as does training that is not seen as relevant. Insecure employment, shift work, a lack of employer interest in skill development, long hours of work, the lack of a good study environment at work and the absence of opportunities to undertake ‘in situ’ training (for example, through online learning) can all create demands that work against successful participation in training.

Similarly, home can be a source of computing facilities and support, or create demands in the form of care, time, money or an unhappy and unsupportive partner or children. The domain of the community can support VET by providing neighbours who help care for kids, public libraries that provide resources or a social context where education and advancement are valued. A similar ‘nest’ of demands or resources exists in the VET system: supportive pastoral care, help with literacy and fee relief or low costs are vital resources.

Another set of demands or resources arises from the ways in which these domains operate together, especially in relation to their spatial and temporal alignment. For example, long distances and poor transport between VET institutions, work and home adds to time and money strain for low-paid workers. Work, VET and school schedules that do not synchronise well can also add to the strain. The higher rates of work–life interference amongst low-paid workers and especially those engaged in study are evidence of these strains. Qualitative analysis helps reveal their sources.

Table 8 sets these out demands in the four domains of work, home, the community and VET and their ‘cross-domain’ intersection suggested by our analysis.
### Table 8 Demands and resources affecting low-paid workers' participation in skill development in the context of their work–life situations

<table>
<thead>
<tr>
<th>Domain</th>
<th>Demands (the reverse of most of these constitutes a ‘resource’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VET</td>
<td>Fees and costs (books computing, travel, uniform, travel)</td>
</tr>
<tr>
<td></td>
<td>Foregone wages (e.g. to undertake job placements)</td>
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<tr>
<td></td>
<td>Time to travel to VET</td>
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<tr>
<td></td>
<td>Poor-quality teaching</td>
</tr>
<tr>
<td></td>
<td>Course content that does not relate directly to job</td>
</tr>
<tr>
<td></td>
<td>Poor language or literacy; absence of language and literacy support</td>
</tr>
<tr>
<td></td>
<td>Absence of ‘wrap around’ pastoral support (e.g. counselling, encouragement, adult learner pedagogies)</td>
</tr>
<tr>
<td></td>
<td>Lack of computer literacy or equipment</td>
</tr>
<tr>
<td></td>
<td>Learning that does not occur at appropriate pace (too fast, too slow)</td>
</tr>
<tr>
<td>Work</td>
<td>Lack of learning opportunities in paid work time</td>
</tr>
<tr>
<td></td>
<td>Training not linked to job</td>
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<tr>
<td></td>
<td>Lack of time/opportunity to reinforce learning</td>
</tr>
<tr>
<td></td>
<td>Casual employment, shift work, long hours</td>
</tr>
<tr>
<td></td>
<td>Employers, supervisors, managers who do not support training</td>
</tr>
<tr>
<td></td>
<td>Lack of quiet study space or peer support/exchange</td>
</tr>
<tr>
<td></td>
<td>Lack of access to online learning, with appropriate support. Opportunities in work time</td>
</tr>
<tr>
<td>Home</td>
<td>Care responsibilities (children/parents/grandparents/other)</td>
</tr>
<tr>
<td></td>
<td>Time and income poverty</td>
</tr>
<tr>
<td></td>
<td>Unsupportive partner</td>
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<tr>
<td></td>
<td>Long commutes</td>
</tr>
<tr>
<td></td>
<td>Poor transport options</td>
</tr>
<tr>
<td></td>
<td>No/poor household technology or space (e.g. computer, quiet space, internet)</td>
</tr>
<tr>
<td></td>
<td>Unaffordable, inaccessible, low-quality care options</td>
</tr>
<tr>
<td>Community</td>
<td>Volunteer obligations or demands</td>
</tr>
<tr>
<td></td>
<td>Absence of IT facilities and support</td>
</tr>
<tr>
<td></td>
<td>Poor local facilities (especially libraries, education, care)</td>
</tr>
<tr>
<td></td>
<td>Absence of peers, friends and community support for education, or for help with care</td>
</tr>
<tr>
<td>Cross-domain</td>
<td>Poor spatial alignment of work/family/community and VET</td>
</tr>
<tr>
<td></td>
<td>Poor temporal alignment of work/family/community and VET</td>
</tr>
<tr>
<td></td>
<td>Poor transport options (cost, timing, regularity, no cars)</td>
</tr>
<tr>
<td></td>
<td>Poor technology (e.g. computer)</td>
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<tr>
<td></td>
<td>Limited local educational opportunities (e.g. VET, uni)</td>
</tr>
<tr>
<td></td>
<td>Slow internet, no internet</td>
</tr>
</tbody>
</table>

### Money, time, life course

Table 8 suggests that many of the challenges described by workers and students in this study relate to fitting together the four domains of work, home, community and study, and they particularly focus on money (fees, costs, foregone income) and time. These challenges vary over the life course, with age, gender and health affecting individual experiences and VET outcomes. Six factors were especially important:

- **Workers’ work–life context**: in the context of their often busy, larger lives, many low-paid workers (especially women) find it difficult to participate in training and skill development, particularly if this falls outside their normal working day. Lack of support on the home front means some reluctance to train.

- **Workers’ life course stage**: older workers were less inclined to seek qualifications, while younger ones saw more value in a recognised qualification. Carers were less likely to engage in VET voluntarily.
Workers’ previous educational experiences: workers with negative earlier educational experience, or who had participated in VET to find that it was irrelevant or did not protect against dismissal, were reluctant to train or approached learning with low confidence.

Potential returns from education—for employees and employers: the prospect of a very low increase in pay made many workers reluctant to invest in education. Where employers saw weak returns on their investments (for example, because of high rates of turnover), they were also reluctant.

Industry qualification requirements and the national regulatory context: training in many low-paid occupations is shaped by regulatory requirements, for example, mandatory qualifications and safety, rather than being oriented to the development of workers and their longer-term careers and employment trajectories. National awards and industrial provisions also shape opportunity.

Employer attitudes to and provision of training: there is great variability in employer commitment to VET development and utilisation in low-paid occupations. Some of this variability reflects industry and product market differences. However, some of it is explained by local workplace strategies and local manager and supervisors’ values and behaviour.

Our analysis suggests that a number of factors strongly ‘push’ workers and students towards VET (such as mandatory training), while other, weaker factors attract or ‘pull’ them (such as higher earnings). Push factors are much stronger than pull factors for both employers and employees. It is useful to consider these ‘push’ and ‘pull’ factors for the three stakeholder groups: workers, employers and students. These are set out in table 9.

Table 9 highlights that compliance, in one form or another, plays a large role in ‘pushing’ VET in these occupations. Policy changes that result in better rates of return, lower fees, spreading out payments, fewer time and travel demands and better spatial and temporal ‘fits’ between life, work and VET (all of which save time and money) would be helpful. In the current system low-paid workers experience very variable access to fee help, variable costs, and variable time burdens when participating in VET—with certificate III courses, for example, ranging from four days to years in length.

<table>
<thead>
<tr>
<th>‘Push’ factors</th>
<th>‘Pull’ factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance: to meet mandatory requirements facing the employer (e.g. health and safety, food safety)</td>
<td>Reward for qualifications (weak)</td>
</tr>
<tr>
<td>Compliance to meet mandatory requirements</td>
<td>More responsibility (weak, given flat job structures)</td>
</tr>
<tr>
<td>mandatory requirements for entry to employment</td>
<td>More job mobility</td>
</tr>
<tr>
<td>to meet the requirements of government training subsidies</td>
<td>Stepping stone to future qualifications</td>
</tr>
</tbody>
</table>

It also appears that some low-paid workers and potential students are unaware of the opportunities available from training that could enable them to meet their work–life needs. This requires new
thinking about community-based training, brokerage supports, more student-centred or demand-driven funding, and more worker voice about VET and its provision. Better career, course, fee, cost and labour market information, including for casual workers, might help them identify pathways to VET and to more secure work. The high proportion of casual workers in these jobs and the low rate of return that many employers and casuals expect to earn on investment in their skills act as a systemic disincentive to train for many low-paid workers. Australia’s industrial and employment relations system, which results in a high proportion of casual workers, thus has a significant indirect effect on the VET possibilities available to low-paid workers. This effect is especially visited upon low-paid workers in areas like aged care and retail, despite the long tenure of many such ‘casual’ workers.

In the next section, we turn to actions that will help improve the circumstances of low-paid workers, who are disproportionately women, in the context of their work–life circumstances, especially in relation to VET.
Implications for action

This study shows that institutions matter a great deal to the ways in which VET can assist those in low-paid occupations. These institutions include labour market structures that shape wage and qualification outcomes, workplaces, VET organisations, unions, the welfare system, and the institutions of care and social reproduction, including the family. Different settings in each of these are important to outcomes for lower-paid workers—to their mobility, skill use and development, and their wages and social income. These affect lower-paid workers themselves, and their households and communities. Our analysis of the work–life and VET circumstances of lower-paid workers shows that relevant institutions extend well beyond the conventionally analysed spheres of the workplace and formal VET institutions (both of which are important), to include educational institutions more broadly, family and community circumstances, and the social, time, money and gender norms and regimes that shape the particular experiences of lower-paid workers. Some settings within these institutions are much more helpful than others. The significantly worse work–life circumstances of low-paid workers, especially those engaged in education, suggests that more needs to be done to relieve those pressures, including freeing up more time and financial support over the life cycle.

Same pressures, different outcomes: institutions matter

International research about low-wage work in wealthy countries has intensified over the past decade through multimethod studies that explore macroeconomic data as well as industry-level and workplace-level studies. This work shows, for example, that in a country like the US (with a quarter of its workers defined as lower-paid), most firms have met the economic pressures of the past 30 years with cost-cutting (like labour intensification and wage cuts); however, some firms have taken a ‘high road’ strategy of technological innovation and investment, skill development and work reorganisation (Appelbaum, Bernhardt & Murnane 2003).

Recent comparative, industry-based studies of job quality in France, Germany, the UK, Denmark, the US and the Netherlands suggest a typology of employment regimes: inclusive, dualist or market regimes (Gallie 2007; Gaut & Schmitt 2010), defined as follows:

❖ **inclusive** (that is, most citizens can participate in work, VET and family life)

❖ **dualist** (that is, at least two tracks exist, whereby some groups of workers, most commonly full-timers, men, people without caring responsibilities, or those with past positive educational experiences, can participate, while others cannot)

❖ **market-based or exclusionary** (that is, economic resources buy superior outcomes, and economic power approximates advantage and enables both educational and work/family success).

While countries can be categorised according to their type at a point in time (for example, Denmark is currently inclusive, Germany dualist, and the US market-based and exclusionary), these ‘types’ are not necessarily static: they change over time. However, such change is ‘path dependent’ (that is, what happens next is shaped by what has happened before and its institutional legacy).

Our analysis of the experiences of lower-paid workers and lower-educated students in VET in Australia, in the context of their work–life circumstances, confirms the findings of these studies.
about the importance of institutions and their settings, to outcomes. Labour law and its
enforcement, minimum wage provisions, different forms of employer organisation, social welfare
systems, training subsidies, income support and facilities, the nature of employer–employee
cooperation, unionisation and regional cooperation relating to skill development and employment
are all potentially influential.

Australia’s historical and current social norms in favour of a fair labour market create a foundation
on which to consolidate a strong set of ‘pathways’ for lower-paid workers as they navigate their
work, VET and work–life circumstances. However, if that system is to be inclusive in its effects, in
the context of changing the work–life circumstances for many men and women, then its
institutions need to adapt. For example, if female, casual and part-time workers’ numbers grow, as
they have in Australia in the past 25 years (especially in the 1980s and 1990s), then ways of ensuring
that they are not excluded from training need to be found. Without such action, exclusion becomes
endemic and expansive. If VET provision is increasingly market-based, then steps to permit those
with weak market power—like the lower-paid—are necessary to prevent new exclusions.

While employment fairness has traditionally focused on conditions in work (wages, job security,
working time and related job conditions), the increasing feminisation of the labour force and the
changing aspirations and growing proportion of men who have caring responsibilities suggest an
extension of the range of employment conditions of policy interest. This includes embracing
conditions that facilitate the reconciliation of work and family/household life, including paid leave,
employee-centred flexibility and social wage supports, such as aged and childcare. These are all
important when we examine the advantages that can arise from learning and VET.

VET proves not a useful or practical means of occupational improvement for many low-paid
workers. Many already hold higher qualifications but are forced or choose to ‘step down’ into
lower-paid jobs for more meaningful work, or to avoid more stressful, physically demanding work,
or to get shorter hours, more flexibility or other working conditions. Others do not want to
participate in VET because they are uninterested or see no positive return arising from higher
qualifications or skills. Some are not interested because of poor literacy or because they cannot
afford the time or money to ‘add VET’ to their existing work, home and community demands.

In this context, setting targets to increase the proportion of workers with particular qualifications
will merely add demands to lives that are already busy, but without delivering higher pay, more
interesting work, genuine new learning or any guarantee that their learning will be utilised or
relevant to their jobs. In this context blunt instruments that set qualifications targets, or require
irrelevant mandatory certification, will negatively affect low-paid workers, whose work–life
circumstances are already stressed. They may encourage credentialism and increase the stress of
workers and their families rather than result in real improvements in opportunity or quality of life,
unless linked to genuine job opportunities and providing high-quality, relevant learning, backed by
strong pastoral care and literacy support.

Many workers in lower-paid occupations experience long-term low earnings and their workplace
structures are flat. Many are casual or part-time for extended periods, which reflects their work–life
and work/family circumstances. Part-time work is a mainstay of Australia’s current institutional
adaptation to women’s work and care circumstances; however, it is often associated with lower pay
and it imposes high rates of exclusion in relation to learning, especially in lower-paid occupations.

Rates of return on higher skills or qualifications are often low or non-existent in lower-paid
occupations. There are signs that training places and financial incentives for employment and/or
training are poorly targeted, and in some cases lower-paid workers feel they experience low-quality
training that ‘ticks the box’ in relation to subsidy accountability, but delivers few new, relevant
skills. In some cases—most obviously in retail—employment recruitment is based on personal
attributes rather than qualifications or skills, and in these circumstances equipping individuals with
qualifications makes little difference to their employment chances. In other cases, qualifications
perform a screening function that bears little relationship to productivity or the exercise of
attainment of new skills. This is an expensive form of screening for recruitment, especially when we take account of the full costs for governments, workplaces and students and workers in lower-paid occupations and their time, money and stress. Furthermore, this can result in increased cynicism when such workers approach training in the future.

This section sets out proposals for change addressing these issues. We focus on five sets of actors and the institutions that they inhabit or create: workers, students, governments, VET educators and employers.

Workers
Training and job preferences change over the life cycle, with changing work–family circumstances and personal characteristics, such as health or age. Workers who are older are much less inclined to participate in training except where it is mandatory, and those with young children speak of being too tired or too busy to engage in training. Institutions that facilitate training over the life course (and through personal and work–family transitions) are very important. Supports that deal with the financial, temporal and spatial realities of the lives of lower-paid workers are vital. Many lack ‘voice’ at work, whether because they are casual, part-time, women or un-unionised. This makes creating ways in which their preferences for training can be heard and realised important.

Students
Many of the issues associated with time, money, family life and changes over the life course also shape the experiences of students in lower-paid occupations. However, the particular settings in VET institutions are very important to students. While these vary from student to student, depending upon literacy, age, past educational experience and family circumstances, students experiencing good levels of responsive pastoral care and appropriate adult pedagogies are much more likely to undertake VET and have positive consequences in their lives.

Governments
How governments influence workplace practice and shape the time and money costs of training are also very significant. Merely adding to the pool of qualifications amongst lower-paid workers is not enough. Indeed, it is counter-productive where qualifications do not result in real learning, exhaust the willingness to train or fail to deliver relevant skills. Similarly, trainee wages can simply depress wages and fail to increase skills where they are not associated with good quality or relevant learning. To work well for lower-paid workers, VET must deliver skills that are rewarded and utilised (rather than merely used as recruitment-screening devices or a means to a financial incentive). Arrangements that minimise the time and cost of training are vitally important, as are opportunities that extend over the life course. The government’s role as monitor of quality is also significant, as is its role as a key funder of some lower-paid industries, such as aged and childcare.

Educators
Many accounts in this study emphasise that workers depend on the personal support and ‘wrap around’ pastoral care provided by their educators, whether in the workplace or beyond. Personal and pastoral support for those with low confidence, prior negative educational experience, low literacy, or an unsupportive family helps lower-paid workers successfully learn. At present literacy and numeracy problems afflict many lower-paid workers and narrow their VET and employment choices. Appropriate funding for literacy education, comprehensive pastoral care, as well as appropriate pedagogies and educational resources are important, including training that minimises the financial, temporal and spatial disruption of lower-paid workers’ lives.
Employers
What workplaces do and their established cultures, and in particular the stance they adopt in relation to training, are very significant to skill outcomes in lower-paid occupations. Efforts to provide training in work time, minimise costs to workers and enable training without disruption of normal working and home arrangements are important, as are measures that encourage and facilitate training, reward skills and ensure that VET is relevant to the job and workplace.

Workers and students in lower-paid occupations
The behaviour of the actors and institutions as described above can assist in meeting the time, cost and other challenges that affect workers and students in lower-paid occupations. The meagre time and financial resources available to many lower-paid workers and students means that they have a very strong interest in the quality and relevance of their training. For many who enter lower-paid occupations, access to foundation skills (through adult and community education, for example) is very important. The key problems facing those in lower-paid work are set out in table 10, along with some institutional reforms that would address them.

Table 10 General challenges facing workers and students in lower-paid occupations

<table>
<thead>
<tr>
<th>Issues</th>
<th>Problem</th>
<th>Institutional adaption/change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>Lack of funds for training costs</td>
<td>Low/no fees for training in lower-income occupations. Support for costs (books, computers, net, travel). Co-contributory training accounts for workers would help meet costs and give ‘say’ over training to ensure relevance and quality. Waiving of tuition fees (e.g. as in childcare diplomas)</td>
</tr>
<tr>
<td>Time</td>
<td>Lack of time for training</td>
<td>Integrate training in working day. Specific forms of leave for training (training leave days, banks). Learning opportunities that minimise travel requirements (e.g. online, in workplace, in nearby community-based facilities). Right to request flexible working conditions to undertake training</td>
</tr>
<tr>
<td>Illiteracy</td>
<td>Low prose, document, and problem-solving literacy and numeracy</td>
<td>Greater and more effective investment in literacy education, pre-employment and in-employment, in ways that minimise time and cost penalties to workers</td>
</tr>
<tr>
<td>Low rate of return on training</td>
<td>Low (or negative) returns for investment in training in lower-paid occupations. Two-thirds of graduates in lower income occupations do not acquire a higher skill level or have higher pay; small increments when promoted, shallow occupational ladders</td>
<td>Increase pay appropriately in under-valued occupations. Ensure financial rewards for high-level skills and experience in awards and agreements</td>
</tr>
<tr>
<td>Confidence</td>
<td>Low confidence, poor past educational experience</td>
<td>More pastoral care in education and training, adoption of adult education pedagogies, learning in community-based facilities, pre-employment and re-entry courses</td>
</tr>
<tr>
<td>Work pressures</td>
<td>More intense pressures for lower-paid workers especially women and mothers, those who work long hours, shift workers.</td>
<td>A life cycle approach to VET: lifetime learning opportunities, especially for women and carers. Support for re-entry training after children, including incorporating confidence and literacy support. Strong pastoral care in VET and employment</td>
</tr>
<tr>
<td>Care responsibilities</td>
<td>Low interest in training especially amongst older men. Low ‘voice’ over training content, relevance</td>
<td>More employee ‘say’ over skill development areas and arrangements with workplace training committees, employee spokespeople.</td>
</tr>
<tr>
<td>Worker interest in training</td>
<td>Low interest in training especially amongst older men. Low ‘voice’ over training content, relevance</td>
<td>Increase rights for workers to request to convert from casual to permanent jobs after 6–12 months. Ensure pro-rata rights for part-time workers to training, and to request flexibility.</td>
</tr>
<tr>
<td>Part-time casual work</td>
<td>A quarter of workforce now casual and more in lower-paid occupations. The most common work–life solution, part-time work, reduces access to training (as well as job security). Part-time women are very pressed for time</td>
<td>Increase penalties for discrimination against workers with caring responsibilities, e.g. part-timers</td>
</tr>
</tbody>
</table>
This research shows, like other research before it (for example, Rainbird 2007), that many factors affect the effectiveness of VET as a mechanism to improve the circumstances of lower-paid workers. For some, VET is a means of entry to lower-paid work or out of it into higher-paid jobs. However, others in lower-paid jobs already hold higher qualifications, or do not seek to move up a career ladder because of life stage, health, job satisfaction, or family considerations; for these workers more training is unlikely to change their job circumstances. Over time their preferences may change, however, and access to VET and career opportunities can enable skill development, movement to higher pay, and better utilisation of existing skills, removing the ‘glue from the “sticky floor” of low pay (Rainbird 2007, p.568). In this context, institutional settings that do not disadvantage, for example, part-time workers or those who are busy with caring responsibilities, are important, as are effective ways for the VET interests of these workers to find ‘voice’ in their organisations.

Costs

Training costs are particularly prohibitive for lower-paid workers, for whom every dollar counts. Costs associated with materials and books, transport, fees and foregone earnings are all important. Access to genuine lifelong learning opportunities requires financial resources for lower-paid workers. The arguments for this are especially strong for workers who are part-time and casual: many of their employers are reluctant to invest in education because they believe they will not recoup their investment. Indeed, some perceive employee training or qualifications as against their interests, especially where turnover is high. Similarly, the training of female employees suffers from under-investment, in light of their movement in and out of paid work because of caring responsibilities. These factors strengthen the ‘public good’ case in favour of greater public investment in the education of lower-paid workers.

Concerns about the cost of participation in education or training are widespread and cost is a major barrier identified by workers. A range of innovative schemes are used in OECD countries to share the costs of education between stakeholders. These include ‘learner accounts’ provided by governments or industries and schemes, in which a financial investment by workers is supplemented by governments or employers; for example, Skandia, a Swedish finance company, matches employee contributions to a learning account, and funds can be used for study at full wages.

Training programs that fund ‘wrap around’ support, such as pastoral care, support for texts and even for training-placement clothing, can also help.

Time

Training in work time is very important to lower-paid workers, who often cannot afford to take unpaid time off to train, or find that travelling out of their way to an educational facility is costly. Where relevant and effective training is embedded in the working day, training is much more likely to take place and be associated with successful completion and an eagerness to participate. Employer provision of time to train is seen as a positive act by many lower-paid workers: it increases their engagement with their jobs and their attachment to their workplaces.

Lower-paid workers often have limited resources for travelling and integrating training into the workplace; studying at home or local accessible community services assist in this regard. Familiarity of location can also assist immigrant and other disadvantaged learners who are making their way in education. Online learning in the workplace, in a local community facility or made accessible at home has advantages for many lower-paid workers in cutting time and money costs. Of course, such an approach will not suit all workers, especially those with low literacy, low levels of confidence or who lack appropriate support in using online resources. Good support with the use of online learning is therefore important.
For some, recognition of prior learning (RPL) can raise training aspirations while shortcutting the time spent in training by recognising what is already known. Where it is workplace-based, recognition can also cut travel time costs. However, some workers, students and educators are cynical about recognition of prior learning which ‘ticks boxes’ but does not actually increase skills or appropriately recognise and evaluate them. Some workers want to learn new skills, rather than have their existing knowledge validated to a required certification level.

Two other innovations would support lifelong learning: firstly, the provision of a paid training leave entitlement. This might also include access to a general ‘time bank’ of accumulated leave. Time banks might also help address the time pressures that many workers and students, especially women, face; and, secondly, a right to request flexibility to participate in training, or the extension of the existing right to request flexibility (in the national employment standards) to all workers without limitation.

Literacy

Literacy issues touch on many workers and students in lower-paid occupations, affecting entry to VET and employment and access to lifelong learning. Low literacy means the absence of the ability to learn skills, closing off pathways out of lower-paid jobs, and contributing to the churning of some workers through lower-paid work, unemployment, under-employment and withdrawal from the labour market. While there is considerable investment in both workplace-based literacy programs (for example, the Workplace English Language and Literacy program [WELL] and the Language Literacy and Numeracy Program [LLNP]) for the unemployed, the widespread persistence of poor literacy, especially amongst workers in lower-paid jobs, means that more needs to be done.

The general workforce challenges in relation to adult literacy and numeracy have recently been canvassed by Skills Australia, who set out the productivity, participation and social inclusion benefits of improved literacy and numeracy, as well as the stagnation of progress in recent years (Skills Australia 2010, pp.36–42). They compare Australia’s low level of investment in such programs with a range of comparable countries and recommend a new ‘national adult literacy and numeracy strategy to drive improvement and decisively lift Australia’s performance for adult language, literacy and numeracy (Skills Australia 2010, p.41). The findings of our study offer strong support for such a new initiative.

Community-based programs in neighbourhood houses where adult pedagogies are applied have a role to play here and can also increase people’s confidence as they return to education. Greater public and private investment—both within workplaces and community settings—is of vital importance.

Lifelong learning opportunities and changing work–life circumstances

While many lower-paid workers enjoy their jobs, including the skills they gain and exercise, for those who want to move up and earn more, promotional opportunities are scarce. Literacy and confidence problems are common. While not all seek advancement and more complex or challenging work, this does not mean that these workers lack an appetite for learning, or that they should be denied learning opportunities, both within their employment and beyond it. In many cases, the appetite for learning is shaped by life stage, work–life circumstances or local workplace cultures, so the decision to decline training today may not be the same tomorrow. Training models that enable skill development over the life course—lifelong learning—are vital for lower-paid workers. These enable these workers to have second and third chances to improve their skills and thus the quality of their working lives. Many life course complexities reflect the juggling of work and care, and learning systems need to adapt to these. As one industry expert put it in interview, Australia lacks a strong culture of investment in life-long learning:
we don’t really have what I would call a good career development/career advancement model. It tends to be about getting them into a job and then they’re the employer’s responsibility or a self-determination thing. We don’t have a learning culture that runs right throughout the fabric of society.

This has particularly negative consequences for many long-term lower-income earners, especially carers and women. The particular problems facing women in VET and in employment have long been discussed (see for example, Pocock 1988; Butler & Ferrier 2000; Smith 2006). However, while the cultural, attitudinal, qualification, situational and institutional barriers affecting women—and actions that can help respond to them—are well known, many women continue to be disadvantaged in access to training and employment.

More worker/student knowledge and ‘say’ over training options

Many lower-paid workers show the determination and drive to learn and become more qualified. However, they are often constrained by limited information about education, training and careers and an absence of local workplace or VET institutional support. As one industry-linked educator put it: ‘we often just drop people into a qualification without necessarily being able to have discussions with them about what are their aspirations, what do they think they can do, where do they want to go. Somebody will present and say, “I want to do this, and they’ll get dropped into something’.” This ‘dropping in’ may in part explain the lack of interest some have in future learning.

Workplace learning representatives

Many lower-paid workers are in workplaces with low rates of unionisation and little effective formal means of a ‘voice’ in their workplace, including about their learning. The United Kingdom and New Zealand have responded to this gap with a system of workplace-based learning representatives who consult with workers and management on training needs and respond to workers’ need for information about training opportunities. In New Zealand, learning representatives ‘are elected by workers in an enterprise to play a leadership role in encouraging workplace learning. They are trained in the skills that are needed for the role: to provide information on what learning is available, to make learning a group activity, to help co-workers identify their learning needs, and to work with the employer on finding solutions’ (Learning Reps 2010). Such training has been of particular benefit to immigrant workers and also in addressing literacy and numeracy challenges in New Zealand.

In the UK, this effort has been accompanied by a new system of national learning centres based in the community. The initial target of the UK learning representatives program was to establish 22,000 representatives by 2010 and this target was reached a year early in 2009. Surveys of representatives have found that three-quarters feel they have had a ‘positive impact on training’, with 61% of managers in agreement that the representatives had ‘helped address skills gaps and 79% agreeing that the representatives had raised awareness of the benefits of training’ (Perrett & Lucio 2009, p.7).

Our interviews show the powerful impact of workplace training supporters on the incidence and successful completion of training. The idea of workplace learning representatives found support both from unions and workplace educators, in the hope that they, as one put it, might ‘bring training back to the fore … not something divorced from work and from the workplace … and join all of the dots of the complex training system to develop relationships between employers, training bodies and employees’. This interviewee pointed to the integrated relationship of the employer, the employee and the training system in the development of the apprenticeship system. A VET institute leader described the experience of her institution, which gave effective ‘voice’ to employees in relation to their training: ‘We call them a workplace learning contact. Fundamentally,
they’re a local person available to stimulate interest in and to support people to access learning opportunities. It’s worked really, really well.’ Few workers in lower-paid occupations have this kind of support and its provision may well increase learning. Support for more systemic worker ‘say’ should be considered for Australian workplaces, especially where lower-paid workers predominate. Ensuring the representation of part-time and casual workers’ interests would also be helpful.

Government and VET providers

Ensuring the quality of training, minimising costs to students, providing foundational skills, taking a life course perspective to lifelong learning, and supporting part-timers to engage in VET (through assistance with transport and income support, for example) are important issues for governments and for VET providers. Embedding training in ‘wrap around’ services that provide pastoral care, job search assistance, help in advancing through internal labour markets, and in navigating complex income and training systems are also important. These issues in relation to VET providers and governments are summarised in table 11.

Table 11 Challenges for VET providers and governments

<table>
<thead>
<tr>
<th>Issues for VET providers and government</th>
<th>Problem</th>
<th>Institutional adaption/change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality training</td>
<td>Some mandatory training is low quality, ‘tick the box’</td>
<td>Increase quality of mandatory training and link more directly to nature of job, rather than formulaic. Integrate training into work processes, so it is meaningful, has quality and enhances productivity and interest</td>
</tr>
<tr>
<td>Poorly targeted training/employment subsidies</td>
<td>Sometimes result in low wage ‘training’ jobs with poor real learning, or ‘tick the box’</td>
<td>Ensure training subsidies result in high-quality learning outcomes. Stronger agreements about expectations, outcomes, obligations. More effective monitoring of quality of training</td>
</tr>
<tr>
<td>Skill utilisation</td>
<td>Around a third of qualifications are not used, and more amongst lower-paid occupations</td>
<td>Recognise that not all under-utilisation is ‘bad’ but reflects working life cycles. More effective recognition of overseas and existing qualifications</td>
</tr>
<tr>
<td>Training/qualifications link</td>
<td>Some training not recognised by a qualification. Important to young workers—facilitates mobility and skill recognition</td>
<td>Ensure publicly supported training is embedded in a qualification, even when in-house, to facilitate labour market mobility and longer-term lifetime earnings and careers</td>
</tr>
<tr>
<td>Costs of training</td>
<td>Costs exclude lower-paid</td>
<td>Provide tuition waivers in areas of employment need (as has occurred for childcare diplomas) AND provide VET capacity to respond to expanded enrolments</td>
</tr>
<tr>
<td>Pastoral care</td>
<td>Good pastoral care essential to success of those with low confidence or limited education, literacy</td>
<td>Fund greater pastoral care capacity associated with re-entry, pre-employment and literacy education for workers and students in lower-paid occupations</td>
</tr>
<tr>
<td>Community resources and support</td>
<td>Accessible community support for learning in VET facilities, local libraries and communities of lower-paid workers and students</td>
<td>Locate high-quality community facilities near where lower-paid workers live, or accessible online</td>
</tr>
</tbody>
</table>

Pedagogies and learning support: quality training

Lower-paid workers are more likely to successfully enter and complete education that has a number of pedagogical characteristics including: flexible delivery (in time and place); appropriate use of E-learning and/or distance learning (taking account of literacy and numeracy skills, where necessary, and providing support); learning that includes provision of computing resources, where appropriate; training that is integrated into workplaces; and training that does not impose upon time at home. For many, training in familiar community settings is important, and for many women ‘return to work’ courses that facilitate re-entry to education and paid work are very important, the
provision of childcare support often a vital ingredient of such programs. Many of the factors necessary to support women’s VET learning are now well established, if not always present (see for example, Smith 2006, p.545).

‘Wrap around’ services and case management that integrate job search, skill development, literacy support, help with arranging childcare and so on, and provide support beyond job entry to skill development while in employment, have proved cost-effective in some settings, leading organisations like the Brotherhood of St Laurence to expand and develop such programs for those in lower-paid occupations with considerable success. In such environments, a ‘client-centred’ approach is helpful. Some industry experts point to the negative effects of tightly costed training provision in a contested market, which does not allow scope for appropriate funding of vital pastoral supports.

Community-based resources and support

The need for information and support extends to community settings to assist unemployed and disadvantaged job seekers before they enter employment. This need is reinforced by those who work with disadvantaged job seekers in the community sector. As one put it, ‘the acquisition of foundational and soft skills needs to be linked to increased confidence and stronger motivation and building awareness of what opportunities are out there; both in training and in the labour market’.

These comments point to the important potential role of educational facilities and intermediaries who assist workers, including casual workers, to make their way to training and complete it successfully. Two policy initiatives would help in this respect: support for training intermediaries (like the Brotherhood of St Laurence services mentioned above) to assist individuals entering, and advancing from, lower-paid work; and more support for local, community-based training facilities, including those providing support for immigrant workers.

The findings in this study are in accord with international evidence and actions that attempt to join up different services in place-based initiatives. These establish cooperation between regionally based workforce development, job placement, education and training and related support services and enable the evaluation of projects and the consolidation of experience in an iterative, evidence-based ‘virtuous circle’ of innovation and advance (see for example, the OECD’s recommendations in relation to the Local Economic and Employment Development [LEED] Programme and its success in a divergent range of settings [OECD 2010b]).

Government support for qualifications for lower-paid workers

Employers’ commitment to training lower-paid workers does not necessarily entail a commitment to training for qualifications. Government funding for training in some sectors (for example, ‘critical skills’ and aged care) is generally directed through employers, education providers and industry associations. However, a different approach has recently been adopted in the childcare sector, where funding support enables workers to acquire diploma qualifications through VET study. Under the National Early Years Workforce Strategy introduced in 2009, prospective new childcare workers or existing childcare workers looking to upgrade or obtain diploma qualifications in children’s services have their tuition fees paid by the Commonwealth Government and workers pay materials costs only. Such an approach to increasing skills could be extended to other sectors.

Education support in Australia for individuals has effectively been ‘front-end loaded’ to the early years around employment entry. However, it is apparent in our findings that training support is vital at other stages over the life course, for example, when a person realises their ‘stop gap return-to-work job’ will become long-term low-paid employment, or following retrenchment or injury, or when manual work is no longer physically viable.

The interest and need for workers and students in lower-paid occupations to have access to funding support for education over the life cycle is illustrated by the experience of fee waivers in childcare which resulted in a very large expansion in enrolments, straining VET providers’ capacity.
to respond. This illustrates the importance of government action on multiple fronts, providing fee exemptions and funding VET capacity, as well as ensuring that quality training is provided.

Employers

The actions of employers are of obvious importance to the prospects of workers and students in lower-paid occupations. Training that meets the needs of both employers (by increasing productivity) and employees and students (by increasing monetary and non-monetary rewards and improving longer-term career and pay prospects) is vital. To this end, the integration of quality training into workforce planning and business operations is an important issue and the capacity for this varies by the size of firm and industry sector. In many workplaces the role and behaviour of supervisors is critical in linking training to workforce development and ensuring its quality. Table 12 sets out issues in relation to employers and some possible institutional responses to them.

Table 12 Challenges for employers

<table>
<thead>
<tr>
<th>Issues for employers</th>
<th>Problem</th>
<th>Institutional adaption/change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low rate of return for employers</td>
<td>High turnover in many low-paid occupations makes investment uneconomic in some circumstances. Others ‘free-ride’ on investments made by other employers</td>
<td>Encourage or require employer investment in VET so that investment is shared. Encourage employer to share investment with government and trainee/employee</td>
</tr>
<tr>
<td>Employer support</td>
<td>Employers in lower-paid occupations less supportive of training</td>
<td>‘Public good’ arguments for public investment in employment and VET services for lower-paid occupations</td>
</tr>
<tr>
<td>Low investment in training, low employer support for training in lower-paid occupations</td>
<td>Less than in higher-income occupations. High turnover, low-cost employer strategies and ‘free riding’ mean under-investment by individual employers</td>
<td>Invest more public and private resources in education in lower-paid occupations. Jointly invest with employers via learner accounts, industry levies, training ‘time-bank’ investments and industry training plans. Publicly subsidise employer/worker co-contributory training ‘time/money banks’, jointly managed. Financial incentives for training and employment, with clearer skill development outcomes (otherwise create more low-wage jobs, rather than reduce them). Create entitlement for training days for all workers</td>
</tr>
<tr>
<td>Low small-employer investment in training</td>
<td>Limited human resources capacity. High turnover, short financial timelines, tight margins. Fewer staff to provide flexibility</td>
<td>Provide quality online training in key lower-paid occupations like retail, care. Learner accounts would help address, though might create unacceptable administrative costs for smaller businesses</td>
</tr>
<tr>
<td>Access to flexibility</td>
<td>Lower access than in higher-income occupations, especially for lower-paid men. Less paid parental leave, flexible hours, start/finish times and work from home</td>
<td>Increase access to flexible work arrangements especially for lower-paid men and women (e.g. flexible permanent part-time work, start and finish times, work from home). Find exemplars and promulgate. Give employees a right to request flexibility to undertake training</td>
</tr>
<tr>
<td>Workplace culture</td>
<td>Supervisory staff who manage training outcomes in the firm; time to train, support for costs, flexibility to facilitate training, good training facilities, and training linked to work processes and improvement</td>
<td>Targets for training in firms in lower-paid occupations. Finding and publicising exemplars and productivity benefits. Subsidies for training supervisory capacity and facilities in house</td>
</tr>
</tbody>
</table>

Rate of return on skill development

Low rates of return are a significant disincentive to train for many lower-paid workers. This contributes to Australia’s persistent gender pay gap, given the concentration of women in lower-paid jobs. Higher pay, remuneration for comparable skills across comparable occupations and models of funding that reward experience and skill would assist. Without appropriate rewards for the acquisition of skill, a significant driver for higher skills amongst lower-paid workers is disabled.
This issue also requires action by government, where it is a primary funder of lower-paid work in occupations like childcare and aged care.

Employee, employer and government co-contribution to fund training time and costs?

Our findings create an argument for more resources to enable learning over the life course in lower-paid occupations. Such support might take the form of a co-contributory training account, with a unique student identifier, appropriately managed to ensure effective outcomes and prevent rorting. Contributors to it might include employees, employers and government. This account might be used by agreement between employer and employee to undertake learning that is aligned to firm/industry needs, as well as give workers and students more ‘say’ over their training. This greater say would increase their agency in relation to their own careers, and, it is to be hoped, facilitate labour market mobility and transitions over the life course. Such an account would help to ameliorate the risk of ‘first-time’ training choices that lock people into lower-paid occupations, which over time do not fit well with their interests or personal or family situation or the changing contours of the labour market.

The establishment of co-contributory learner accounts would help to address the money and time pressures facing lower-paid workers, who often lack the personal, workplace, household or community resources to enable life course transitions, including in education. Such an approach would help to avoid the problem of narrow employer-specific and oriented learning and avoid the problem of ‘firstness’, that is, support for only an initial basic qualification).

Literacy and numeracy

An example of co-contributory approaches to training is provided by the ‘Language, Literacy and Numeracy: Skilling and the Existing Workforce’ initiative, which was funded by the Australian Government in 2009, with the goal of ‘improving literacy and numeracy in the workplace to drive greater workforce participation and productivity’ (Arbib 2009). According to the Australian Industry Group, the ten pilots funded under this scheme have been enthusiastically embraced by employers and employees, who have shared time costs, while minimising financial costs to employees. Such tailored workplace-specific programs, if found in formal evaluations to increase literacy and numeracy in the long-term, might be increased in scale, alongside other literacy and numeracy programs.

Flexibility

Flexibility is vital to participation in VET for many women, mothers and other care givers. Access to flexible start and finish times, work-from-home schemes, part-time work and to learning that can be undertaken from home or online can all assist in facilitating participation in employment and in learning. This flexibility is less available to those in lower-paid occupations. As our findings show, policies, practices and workplace cultures that support flexible work systems in order to meet study needs are important, especially for women and carers.

Many employers already provide such opportunities, albeit more commonly for managerial and professional staff. The challenge is to encourage and support employers of workers in lower-paid occupations to follow suit. A scheme in which government and employers share the direct and indirect costs of lower-paid workers’ participation in education or training could be one such strategy. The development of workplace cultures to support employees’ engagement in further education or training, especially those workers in lower-paid occupations, will also help.
Small and medium-sized enterprises and investment in the management of training and workforce development

Providing high-quality training is particularly challenging in small and medium-sized enterprises and in industries where they dominate. These are the workplaces of many lower-paid workers. Articulating the training needs and strategies for such sectors requires formal support, as well as recognition of the challenges posed by the management of the provision and supervision of high-quality training. In some cases, industry bodies and training council members point to a high investment in training that is not accompanied by an appropriate investment in the management of training or the appropriate funding of indirect training costs like mentors, travel, support and workforce planning and development in the longer run.

Engagement and workplace culture

We have found, especially through our qualitative study, very wide differences in the local workplace cultures associated with training, with very significant effects on skill outcomes in lower-paid occupations. Employers who foster relevant learning opportunities and more actively engage lower-paid workers in their workplaces are likely to be viewed positively. In this light, workplaces that devote resources to understanding the training desires of workers, attempt to find the ‘win-win’ training outcomes that suit both the needs of the business and employees, and integrate training into the firm’s business and work processes in ways that make it relevant are likely to reap rewards. Supervisors who actively support training are critical. The most positive examples of workplace practice and culture in this study included:

- provision of in-house opportunities to train, especially for operatives
- training linked to solving real issues in the workplace, integrated with the business plan and human resource actions
- effective employee ‘voice’ in relation to training desires and preferences
- provision of paid time for training, funding of ‘out of pocket’ expenses
- financial reward for success and celebration of it
- investment in local workplace training ‘agents’ who understood the business (rather than act as salespeople for ‘off the shelf’ courses or qualifications)
- integration of skill development into staff performance evaluations of managers and first-line supervisors.

In such examples, workers saw their training as relevant, rewarded, interesting and ‘doable’ in the context of their jobs and lives. The quality of management exerted by line supervisors and managers emerged as critical to the functioning of organisations and to workers’ experiences of their employment and training. Efforts to support managers to implement improved operating and training systems and approaches are an important aspect of improving the skills of lower-paid workers.

An integrated workforce development approach

There is evidence of training for lower-paid workers that is narrowly instrumental and focused on minimal compliance with regulatory requirements. Compliance is an important driver in many lower-paid occupations, and there were relatively few examples of a more comprehensive approach to workforce development in our qualitative investigation. In some workplaces, employer investment in training is weak, with heavy reliance on subsidies.

A number of stakeholders, including some in the VET sector, spoke of the limitations of ‘transaction-oriented’ relationships between employers and VET providers, where government subsidies could lead to a focus on ‘cheap’ training rather than contributing to the development of the workplace and its workforce. As one industry advisor put it, ‘training on its own is a necessary
but not sufficient condition. It is how you actually apply the training in the workplace that counts.’

Training that was more integrated into the workplace, region and industry workforce was strongly
advocated by some. Its benefits were obvious in some examples, with evidence of high-quality
training linked to productivity outcomes and benefits such as less wastage or fewer breakdowns,
higher worker satisfaction and engagement, and a ‘social dividend’ in relationships between workers
and improvements in communication.

There are benefits to lower-paid workers when workplace-based training is integrated into a larger
workforce plan. In lower-paid employment, where the training effort is more financially
constrained than in higher-paid occupations, there is a significant public interest benefit in ensuring
that government support for training results in recognised qualifications that address workers’
aspirations and life circumstances, as well as workplace needs.

Beyond the workplace, a regional approach to skill development and workforce planning can also
enable more consistent employment for workers, enabling them to stay in their region and
multiskill to undertake variable roles available across a year. Workers also have the potential benefit
of being able to move between employers. Given that so many employers in lower-paid
occupations are very small, there are strong arguments for institutional innovations that help
employers collaborate to share training provision, costs and employee development.

Examples of such collaboration mentioned by stakeholders included the 2009 AgriFoods Skills
Australia job summits in Narrabri and Emerald and cooperation between aged care providers in a
Queensland growth area to ‘all get together and have an institutional approach to recruitment,
retention, skill development’. Such ‘skills ecosystems’ have been trialled in a range of Australian
locations (Windsor 2006). Public support for the continuity of such regional, collective approaches
would help to ensure that they have a life beyond the committed individuals who often initiate
them and then struggle to maintain funding for them.

A recent regional analysis of trade-qualified workers reminds us of other mechanisms beyond the
institutional arrangements for training that help facilitate skill development and the more effective
matching of skill supply and demand, notably wages and mobility. Many trades workers who end
up working in regional and remote centres are trained in cities but relocate for jobs and better pay,
meaning that training does not necessarily need to be located close to the jobs (Lewis & Corliss
2010). However, for lower-paid workers, the wage inducements for mobility are weaker, so
localised skill development opportunities are likely to be more important to them than to higher-
paid/skilled workers.
Conclusion

The world of work is changing, in terms of industries, occupations and the conditions and forms of employment. The larger social and household context of work is also changing, with more mothers at work, more working men involved in the direct care of children, an aging population, and more dual-earner or sole-parent/worker households. These changes affect the opportunities for skill acquisition and use. They also affect workers in disparate socioeconomic circumstances differently.

This report shows that workers and students in lower-paid occupations face particular challenges in acquiring and utilising their skills. Some of these challenges are common to those working or studying in higher-paid occupations, like a shortage of time to engage in skill development and widespread work–life pressures, especially amongst women, those who work long hours and those who have significant caring responsibilities.

However, there are very specific additional problems that confront workers and students in lower-paid occupations. Many workers find themselves lower-paid, or working in lower-paid occupations, because of their caring responsibilities, which they accommodate over their life cycle by ‘downshifting’, either in terms of their occupation or hours of work (or both). This means they then face particular problems in VET, especially finding the money, time and workplace support to participate in skill development. Accommodating caring responsibilities by becoming a casual or part-time worker has very sizeable ‘knock-on’ exclusionary side effects, especially in relation to VET participation and learning.

For many others, low literacy precludes VET participation and casts a long shadow over skill acquisition and lifetime earnings.

Greater investment in the workplace, in VET institutions, in literacy education, and in transport and related arrangements that assist those in lower-paid occupations will help. Institutional innovations that provide more money and time for training are also important, as are efforts to strengthen the occupational incentives (including higher pay) to improve skills and the workplace cultures that support successful learning. It seems that, at present, government investments in VET for workers and students in lower-paid jobs are substantial, but they are not always effective. Ensuring that training and education are relevant, up to date, supported by appropriate pastoral care and well organised, in terms of time and minimal cost, are vital.

Recognition and development of the skills and capacities of lower-paid workers in the context of their changing work–life circumstances matter for several reasons. A large number of workers are lower-paid, and fair rewards for their contributions are the marker of a fair labour market. Their inclusion in workplace and other VET opportunities is an important element of such fairness. They especially link to fairness for women at work, given that women are disproportionately concentrated amongst the lower-paid. It is also important that investments in the skill development of lower-paid workers result in real skill improvements: the optimistic hope that ‘more VET’ means ‘more pay and better careers’ is not justified in many instances. In fact this research shows it is likely to add to the work–life stress of low-paid workers, which is already higher than for many others. Public and private investment to ensure the participation of those in lower-paid occupations in VET is both necessary and justified to combat the exclusionary effects that arise incidentally in lower-paid jobs, workplaces, occupations and industries. However, it is essential that such investment responds to the real work–life circumstances that many workers and students in lower-paid occupations face and develops skills that are useful, productive and appropriately rewarded.
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