

Making Cent\$ of Literacy

the bottom line impact



Making Cent\$ of Literacy

the bottom line impact

This booklet has been reproduced with permission from
Niagara Training & Adjustment Board and Literacy Link Niagara.



Literacy Link South Central

213 Consortium Court
London ON N6E 2S8
Tel: (519) 681-7307
Fax: (519) 681-7310
Web: www.llsc.on.ca



Grand Erie Training And Adjustment Board
Commission de formation et d'adaptation de la main-d'oeuvre du Grand Erie

1100 Clarence Street
Suite 103B, Box 12
Brantford, Ontario, N3S 7N8
Telephone: (519) 756-1116
Fax: (519) 756-4663
Email: getab@on.aibn.com

GETAB is funded by Employment Ontario

EMPLOYMENT ONTARIO

Ontario's employment & training network

This Employment Ontario Project is funded by the Ontario Government.

The views expressed in this document do not necessarily
reflect those of Employment Ontario.

Making Cent\$ of Literacy

bottom line impact



Literacy in the Workplace

"By the Year 2020, the Canadian shortage of skilled workers is forecast to be about one million workers. One of the real keys to our future economic progress will be our willingness to address the looming skills shortage."
(Business Edge, Eric Newell, former CEO of Syncrude, March 2006)

- Workplace literacy is an important issue for business and labour.
- Globalization and new technologies have brought about significant changes in productivity and innovation in the workplace that have in turn placed greater demands on employees.
- Literacy skills are one of the cornerstones of economic success, yet the latest literacy study by Statistics Canada shows that millions of Canadians do not have the literacy skills they need to keep pace with the escalating demands of society and the economy.

"A country's most important resource is its human capital. In order for Canada to move forward and be strong, we must invest in Canadians, ensuring that no member of society is left behind in the knowledge-based economy."

– Human Resources and Social Development Canada

Table I (below) - the International Adult Literacy and Skills Survey – reveals a working-age (16 to 65) Canadian population lacking in the minimum literacy skills required to cope with the everyday demands of life and work - and Ontario is no exception.

Table I

Sector	%
Accommodation & Food Services	67%
Construction	54%
Manufacturing	46%
Trade, Finance, Insurance, Real Estate & Leasing	36%
Health Care & Social Assistance	35%

Source: International Adult Literacy Survey - a seven country comparative study of adult literacy.

"Just a 1% increase in average literacy rates would yield a 1.5% or \$18 billion permanent increase in the GDP and a 2.5% increase in productivity."

– Columbe, Tremblay and Marchund, 2004

Making Cent\$ of Literacy



Facts About Literacy Levels

- Literacy is not only a person's ability to read words and sentences, it also includes the ability to understand and use written material.
- Canadians with strong literacy skills have better paying jobs and are less likely to become unemployed than those with lower literacy levels.
- The most common place that people practice and improve their literacy skills is at work.
- The opportunity to use literacy skills on the job can actually help people maintain and enhance skills long after they have completed their formal education.
- Growth industries require high levels of literacy; jobs requiring lower skills are declining.
- People with low literacy levels may be good performers in their current job; they may have learned by example, experience and instinct.
- People with low literacy levels tend to effectively develop coping skills to hide their literacy shortfalls.
- People with low literacy levels tend to be slower to respond to new developments and change, and may have difficulty with some situations that require reading such as computer skills, training exercises, problem solving, or using charts and graphs.

Definition of Literacy

Traditionally, literacy has been defined as the ability to read and write. Today, the definition of literacy also includes the ability to understand and use written information, such as reading, writing, numeracy, critical thinking and problem solving.^[1] In this sense, it is defined as:

“The fundamental skills, attributes, attitudes and behaviours that enable people to speak, write prose, use documents and numbers, and work responsibly alone or in teams in the workplace.”^[2]

Because few adults are unable to read at all, literacy is normally regarded as a given. However, literacy encompasses a more complex set of “Essential Skills” that people need at work.

The benefits of improving workforce literacy levels are not always clear, but raising the level of employee literacy and basic skills translates into an improved bottom line through financial savings, higher profits, and improved performance and productivity.

Essential Skills

The Government of Canada recognizes nine “Essential Skills” that are used in daily life and almost every occupation. It defines these as “the skills needed for work, learning and life.”

Nine Essential Skills

- | | |
|-----------------------|------------------------|
| 1. Reading Text | 6. Working with Others |
| 2. Document Use | 7. Continuous Learning |
| 3. Numeracy | 8. Thinking Skills |
| 4. Writing | 9. Computer Use |
| 5. Oral Communication | |

Essential Skills and key employability skills needed to enter, stay in and progress in the world of work are outlined by the Conference Board of Canada at:

www.conferenceboard.ca/education/learning-tools/default.htm

1. Business Results Through Literacy - Canadian Manufacturers & Exporters
2. Conference Board of Canada

bottom line impact

Are You Ready?

Low literacy skill levels represent a social and economic challenge that will likely become even more acute as on-the-job demands increase through the adoption of information and communication technologies and as the demographic makeup of Canada's work-force changes.

- Tomorrow's business world will see a strong demand for skilled labour and technological expertise.
- Employees will be expected to learn and adapt to new and continually changing processes.

Are you and your employees prepared for these changes in the workplace?

Three demographic trends are converging with serious ramifications for almost every industry:

1. Retirement of baby boomers
2. Increase in life expectancy (People are living longer due to improved medicine and public healthcare. For example, Canadian women born in 2001 have an average life expectancy of 82, and Canadian men, of 77)
3. Birthrate is at an historic low (In Canada: 1.1 children per family)

These trends suggest a population of aging citizens, followed by successive, smaller generations. Companies will start to experience a "talent crunch" when they seek to replace large numbers of key employees as they retire.^[3]

Employer Myths About Literacy in the Workplace

Do any of the following statements describe your organization's outlook on literacy issues?

- We do not have a problem
- We might lose employees if we invest in training
- We cannot afford to invest in training

If you have checked off at least one of these statements, you should consider the hidden impact to YOUR bottom line!

FACT:

Raising employee literacy skills levels will help to:

- improve productivity, quality and safety
- improve problem solving
- improve ability to handle change
- help handle the introduction of new technology
- improve employee relations.



Making Cent\$ of Literacy



Understand the Bottom Line Benefits of Improving Literacy

Bottom line benefits to the employer include:

- reduced error rates
- improved health and safety record
- reduced waste in production of goods and services
- increased customer and employee retention

Bottom line benefits to the employee include:

- ability to complete the same tasks faster and more accurately
- improved morale/self-esteem
- ability to work better with co-workers or in teams
- improved reading, writing, numeracy, communication and problem-solving skills
- greater chance of promotion or transfer into new positions
- increased pay and/or responsibility

Why support workplace literacy and basic skills programs?

Improved literacy skill levels create a win-win situation for everyone. Employers who support literacy and basic skills development often enjoy a more conscientious, resourceful, loyal and dependable workforce. More skillful employees are more confident employees. Employee confidence translates into creativity and initiative that, in turn, contributes to the overall performance of the organization.

Table 2 (below) - A (2001) national survey of The Conference Board of Canada revealed the following reasons why organizations use or would use workplace literacy and basic skills programs:

Table 2

Reasons to Use Program	% of Organizations
Improve Productivity	66%
Cost Savings	53%
Improve Communications	52%
New Technology	35%
Improve Health and Safety	31%
Increase Profits	17%
Build Employee Loyalty	15%
Lack of Qualified Applicants	6%

"The Canadian Business Task Force on Literacy (1988) estimated low literacy levels cost businesses \$1.6 billion in lost time due to workplace accidents and \$2.5 billion in lost productivity. These figures will undoubtedly be higher now as our literacy rates have not improved."

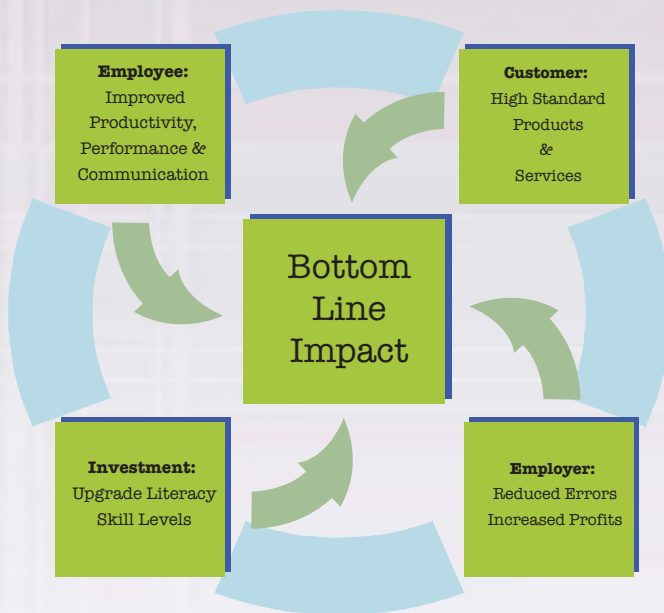
— Literacy at Work, Literacy Alberta

bottom line impact



“The marginal value of investing in human capital is about three times greater than the value of investing in machinery.”

– T Stewart, Intellectual Capital, 1997



“Companies offer literacy skills training to their employees because enhanced reading, writing and numeracy skills will ultimately contribute to a stronger bottom line through time savings, lower costs and improvements in the quality of work.”

– Conference Board of Canada -The Economic Benefits of Improving Literacy Skills in the Workforce

- Literacy is important because it is one of the keys to maintaining corporate competitiveness and personal success.
- Workplaces and processes are becoming more sophisticated with technology, machinery and equipment.
- Through hallmarks of excellence such as the ISO 9000 certification, employers are under mounting pressure to demonstrate to customers that their products and services meet the highest standards.
- As work environments become more demanding, employers need to ensure that all employees have the literacy and basic skills to perform safely, accurately and efficiently.

How to Overcome Barriers to Workplace Literacy

Table 3

Barrier	Possible Solution
Lack of Time	<ul style="list-style-type: none"> ■ Identify training needs ■ Engage outside training providers ■ Collaborate with employees
Limited Finances	<ul style="list-style-type: none"> ■ Refer employees to existing community literacy programs ■ Partner with a university, college, continuing education provider or local literacy agency ■ Create an in-house training solution using volunteers as peer trainers or mentors ■ Obtain free training materials from the library or on-line
Scheduling	<ul style="list-style-type: none"> ■ Create a convenient on-site learning centre ■ Make use of mentoring to delivery workplace training ■ Offer voluntary lunch & learn sessions ■ Use desk top learning



Learn from Champions of Workforce Literacy

- Incentive bonuses of front-line managers are tied to profit/sales and labour costs
- Reward criteria is customized to reflect staff responsibilities
- The management team participates in regular training programs that include sessions on Motivating Staff and Developing Leaders

Hamilton

In the early 1990s, Hamilton steel manufacturer Dofasco became aware of a potential literacy issue during the communication of the results of an employee survey. Despite broad communication, some employees continued to ask questions about information they had already received. As a result, a pilot needs assessment was carried out using the resources of a Workplace/Workforce Employment Basic Skills program, an initiative of the Government of Ontario, an internal workplace team and ABC Canada. The outcome of the process was the development of a progressive "Essential Skills" program that continues to flourish today.

The objective of Dofasco's "Essential Skills" program is "to create and foster an environment which values, encourages and supports lifelong learning." It provides the opportunity for employees to learn the basic skills needed to make the best contribution they are capable of "in the workplace, at home and in the community."

The Adult Basic Education Association is a key partner with Dofasco. Approximately 90 employees per year participate in the program and classes that have included reading and writing, computer literacy, "learning to grow" and diversity awareness. The programs are voluntary and confidential. Employees are paid for 50% of class time and receive continuous feedback and improvement.

Sarnia

The Organization for Literacy in Lambton (OLL), located in the Lochiel Kiwanis Community Centre, spearheaded a literacy program focused on upgrading general education levels and computer skills for adults entering or re-entering the workforce.

A community heritage garden was developed and evolved over a five month period at the community centre, involving the part-time commitment of nine learners who became the landscape crew for this project. Funded by Dow, a long time petro-

Niagara

White Oaks Conference Resort & Spa, ranked Number 2 on the list of the "50 Best Employers in Canada" by Report on Business Magazine 2005, recognizes the importance of investing in its employees and creating a "culture of excellence". White Oaks recognizes that productivity and performance are influenced by employee satisfaction and skills development.

At White Oaks employee turnover is only 21% for full-time positions and 32% for full-time, part-time and casual positions combined; a substantially lower turnover rate than the average for the hospitality industry in the Niagara Region. As many as 25% of White Oaks' team members have been employed with the company for over 5 years and 85% of White Oaks' management team started in front-line positions and moved up the ladder. Skills development and life-long learning are key focus areas that support staff promotion.

White Oaks Achieves its Culture of Excellence Through the Following Processes:

- Excellent hiring practices
- Excellent training programs customized to reflect the employee skills development, industry, the company, and corporate goals and objectives
- Fair and accessible promotion opportunities that recognize and reward excellent work, not favour team members
- An excellent management team that talks the talk and walks the walk
- A formal employee recognition program

Key Elements of the White Oaks Culture of Excellence Include:

- Tuition reimbursement for employees interested in furthering their education

bottom line impact

chemical partner of the Sarnia community, the garden project incorporated learning techniques for the three types of literacy - prose, document and quantitative. Upon completion of the garden, the adult learners published a book on the topic.

The project involved:

- In-class research-history, cultivation, propagation, calendar of care for hostas
- In-class pre-planting instruction
- Garden planting
- Post-planting care and maintenance
- Publication of a book entitled Dow Community Heritage Hosta Garden - A Place to Grow (funded by the OLL)
- Book launch in conjunction with a provincial plaque unveiling by the Ontario Heritage Trust

Following the project, some learners continued to upgrade skill levels through attendance at adult programs at OLL and others were able to successfully enter the workforce. The process provided an invaluable life experience for adult learners who were proud to be part of a learning community that completed the project and forged common bonds through team work that helped to create a better community.

Elgin, Middlesex, Oxford, London

A local small business owner in Elgin County had a dependable employee with a learning disability. The employee had not completed his high school education and had difficulty with mathematics and reading a tape measure.

In order to increase productivity in his small facility and handle the volume of orders, the employer felt that he needed to create a full-time position dedicated to cutting metal piping to specific lengths. This would free up his skilled employees to spend their time on welding and assembly rather than cutting large numbers of the same length of pipe.

The part-time janitor had the right attitude and the dependable work ethic for the job. The employer contacted the local school board to ask about upgrading programs, talked to his employee and arranged for him to attend the class. The employee reported back to his employer regularly on his progress and was eventually able to move into a full-time job with the company as the resident "cutter". The employer gained a competent employee who took pride in his work.



Waterloo-Wellington

Rohan has worked at a Child Care Centre for nine years as a child care assistant. He got his job through a community-based summer program and a period of volunteer work in the summer months following which he was hired as a part-time member of staff.

Rohan had a workplace challenge - he had difficulty reading and writing which affected his ability to do his work effectively; he couldn't accurately read reports, childrens' names, notes left by parents or information about the job.

Rohan participated in a community literacy program that helped him in his daily work and meant that he was able to keep his job. In addition, Rohan's self esteem improved because he focused on a personal goal that he knew he could achieve to continue his education.

Haldimand-Norfolk

A contract worker for a large manufacturing company wanted to upgrade his literacy skills levels in order to secure a permanent, full-time position. Through a program offered at Haldimand-Norfolk Literacy Council, he obtained help with reading, grammar and math which raised his ability level in reading and writing applications and enabled him to pass training tests, understand training materials for machinery and follow safety plan applications.

As a result of the process, the worker was also able to read the newspaper daily and started to read books for fun. His self esteem improved and he successfully achieved his career goal.

Making Cent\$ of Literacy



Can Workplace Training Initiatives be Measured?

One of the biggest challenges of providing workplace training is deciding whether or not it is successful. Employers should ask themselves the following questions:
What is a useful measure of training success? What is the return on the training investment?

Table 4 (below) shows sample measures of training effectiveness commonly used by Canadian organizations. The measures shown arise from a national survey of employers by the Conference Board of Canada in 2001.

Table 4

What is Measured	A Useful Measure Of...				
	Employee Buy-in	Management Buy-In	Customer Satisfaction	Financial Results	Operational Results
Employee learning	✓				✓
Productivity					✓
Error rates/efficiency			✓		✓
Employee absenteeism	✓				✓
Staff turnover	✓				
Promotions		✓			
Fines or claims related to health and safety				✓	✓

What Can You Do?

1. Identify the need for a workplace literacy program.
2. Discuss literacy and educational opportunities throughout all levels in the workplace.
3. Gain support from management, workers and union.
4. Identify resources to implement a workplace literacy program.

Take the Workforce Literacy Challenge! **Act Now!**

Get on board with progressive employers in your area and start the ball rolling to implement your own workplace literacy program. Be a leader in your community. Participate in an initiative to increase local workplace literacy levels. Be a part of the solution to support a skilled, ready workforce!

CONTACT YOUR LOCAL LITERACY NETWORK TODAY!





Literacy Link South Central

213 Consortium Court
London ON N6E 2S8
Tel: (519) 681-7307
Fax: (519) 681-7310
Web: www.llsc.on.ca



Grand Erie Training And Adjustment Board
Commission de formation et d'adaptation de la main-d'oeuvre du Grand Erie

1100 Clarence Street
Suite 103B, Box 12
Brantford, Ontario, N3S 7N8
Telephone: (519) 756-1116
Fax: (519) 756-4663
Email: getab@on.aibn.com



Champions of Ontario Labour Market Solutions

**EMPLOYMENT
ONTARIO**
Ontario's employment & training network