

## PLAIN LANGUAGE SUMMARIES

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### LITERACY UTILIZATION IN CANADIAN WORKPLACES

#### SUMMARY BY JAMES E. PAGE

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##### **What is this study about?**

This report examines the issue of the under-utilization of literacy skills in the Canadian workplace. This work is based on the results of the International Adult Literacy Survey (IALS) and was published in a series called "IALS Monographs". In this study Harvey Krahn and Graham S. Lowe draw inspiration from two phenomena identified in the IALS. The first is that skills that are not used can be lost or deteriorate through lack of use. The second is that international comparisons using IALS data suggest that Canadian workers, notably those in skilled crafts, have fewer opportunities than workers elsewhere to use their literacy skills when they are at work.

There are three chapters in this study: a "Literature Review" followed by "Research Findings" and finally a "Discussion". In the first chapter they note, for example, that research has shown that inadequate literacy skills reduce an individual's employment prospects. Low literacy also limits peoples' opportunities to participate fully in society. The evidence is clear, they say, that the ability to read, write and use numerical information is crucial for labour market success and social well-being. They point to the widely accepted view that societies with highly literate populations are more competitive and that success in today's global economy requires skilled workers capable of continually learning and adapting to change. Thus, they observe, literacy is central to policy discussions about human resource development and usage at the individual, workplace and national levels.

They go on to show how the debate about the "adult literacy problem" has shifted as concerns about economic competitiveness have come to dominate public policy discussions. Noting that the debate continues to centre on the need to improve the literacy skills of Canadian workers, they argue that similar attention should be paid to the literacy requirements of jobs in Canadian workplaces. Their core argument is that an individual's work environment can inhibit or enhance skill development as well as social and psychological well-being.

With this as context, the authors note that little systematic research has been done in Canada, or elsewhere for that matter, on how workers actually use their literacy skills in their jobs. Rather research has focused mainly on individuals' literacy "deficits" and the need for remedial training. They also argue we need a broader perspective and research agenda focused not only on such individual deficits, but also on the literacy requirements of jobs. The main objective of this report, then, is to fill this research gap.

### **What are the questions addressed by the study?**

The paper examines the fit or mismatch between the job requirements of Canadian workers and their literacy skills in order to profile patterns of literacy usage and under-usage in the Canadian labour market. In doing so the authors identify four key questions:

- 1) What is the distribution of prose, document and quantitative literacy skills among the currently employed in Canada?
- 2) To what extent do Canadian workers use their literacy skills on the job? That is, what is the “fit” or “mismatch” between workers’ literacy skills and their literacy needs in the workplace?
- 3) How do these patterns of fit and mismatch vary by gender, age, educational attainment, industry, occupation and employment status?
- 4) Among workers who show a “literacy surplus” (i.e., their literacy skills are substantially greater than their job requirements), is there any evidence that their skills may decline after prolonged under-usage?

### **Why is this study important?**

*Literacy Utilization in Canadian Workplaces* is an important contribution to the literature on literacy because most economic analyses of data contained in the 1994 the International Adult Literacy Survey had focused on the supply of literacy skills, and on the reasons for and the consequences of literacy skill deficits on individual well being and on the productivity of the Canadian economy. However, in this paper Krahn and Lowe employ the same data to explore the possibility that the Canadian labour market may also suffer from a deficit in the demand for skill. They argue that the existence of such a deficit would have important implications for policy.

### **What does the study conclude?**

Overall the study found a reasonable fit between workers’ literacy skills and the job skill requirements for about 75% of the Canadian work force. While one can read this as evidence that the labour market works, placing high skilled workers in high skilled jobs, the authors point out that there are still a lot of workers with low skills fitting into low skilled jobs, and medium skilled workers employed in medium skill positions. Krahn and Lowe suggest that this raises questions about how many low- and medium- skilled jobs we want to have in Canada when we know that the high skilled jobs are the ones that bring the greatest rewards to both individuals and the economy. The fact that the majority of workers have skills that match the requirements of their jobs should not provide any solace, they conclude, because having low skilled workers in low skilled jobs does not make the economy competitive.

Their study suggests that if Canada wants to attract high skilled jobs it must compete for them. These jobs are valued around the world because they increase national productivity and provide higher rewards for workers both in terms of income and job satisfaction. Canada’s ability to compete for these “best jobs” is limited because of the low literacy skills of a significant proportion of the Canadian adult population.

Canada faces another challenge in addition to the problem of low literacy skills, and that is to ensure that we use all of the skills we have in the labour force. Krahn and Lowe found that there are 2.5 million Canadians who appear, based on their answers to the IALS Survey, to be employed in jobs that do not demand the full use of their literacy skills. This is a “skills surplus” in that workers’ skills exceed the skill requirements of their jobs. This means that the “capital” resident in the labour force is not being used thus lowering productivity and squandering growth potential.

The authors conclude that the importance of high skills jobs for the economy cannot be over stated. The usual policy concern is to ensure that there is a sufficient supply of literacy and other skills in the labour market. But, they argue, Canada also needs to have a sufficient demand for skills. It is “troubling”, Krahn and Lowe write, that more than one in five Canadian workers are in jobs that do not appear to make full use of the skills they have acquired. This is especially so because public discussions of “skills gaps” in the Canadian labour force usually imply that the problem is one of a shortage of skilled workers, not of skilled jobs.

According to Krahn and Lowe, skills surpluses, deficits and absences leave policy makers with some perplexing questions. There are several dimensions to the challenge. The first is how to raise the literacy skills of the general population to increase participation in and attachment to the labour force. The second is how best to deal with the skills surplus problem (high skilled people in lower skill jobs). Every bit as important is the third dimension of the puzzle, the skill deficit question (lower skilled people in higher skill jobs). Fourth, they note, is the need to attract more high skill jobs to Canada.

According to Krahn and Lowe perhaps the toughest part of the puzzle will be to engage employers, employees, unions and professional organizations in finding ways to upgrade the literacy and other skills requirements of the current 2.5 million jobs characterized by a skills surplus. As they conclude: “... it is clear that discussions of public policy with respect to literacy must address this issue. To not do so is to ignore a problem with serious human resource and productivity costs”.

### **Publication information**

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