

# A Chamber Guide *to* Improving Workplace Literacy

HIGHER SKILLS, BOTTOM-LINE RESULTS



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# Why?

## Why basic skills matter more than ever to business

What are the workforce issues that keep employers awake at night? In every industry sector, businesses large and small face many of the same challenges, including recruiting, retaining, training and advancing employees. Business quality, productivity and profitability depend on qualified workers who can perform today and adapt to new demands tomorrow.

*But many American workers do not have the basic skills required to excel in modern workplaces.*

Employers pay the price.

People who simply are not up to the job mask their lack of skills by leaving or avoiding employer requirements. Or they make costly errors that reduce efficiency.

The workforce issues that plague employers – including high turnover, poor performance and low morale – may be symptoms of a serious, underlying problem of workforce literacy.

Moreover, without employer intervention, the problem is likely to get worse. Workplaces are changing dramatically in response to an increasingly competitive business environment. To stay ahead, employers are reorganizing their workplaces to deliver their products and services better, faster and less expensively. They are collapsing the production process to allow teams of people to work together and take on greater responsibilities.

In these more flexible workplaces, even front-line employees perform work that used to be done by managers or specialists, including planning, budgeting, supervising, troubleshooting and working directly with customers. Compared with more traditional workplaces, today's factories, offices, retail establishments and other workplaces have fewer managers and flatter hierarchies. They also require employees with higher and more varied skills.

These realities are intensifying, not going away. With business success riding on workforce competence, workplace literacy is an urgent business issue that demands employers' attention. The skills deficit among U.S. workers will continue to be a critical issue for business,

regardless of the ups and downs in the U.S. economy. Demographic projections show that, as older workers retire and the population changes, there simply will not be enough skilled workers to meet employer demands. This is a long-term problem that requires a long-range commitment to improve workforce skills.

In this guide from the Center for Workforce Preparation at the U.S. Chamber of Commerce, made possible with support from the National Institute for Literacy and Verizon, you'll learn how workplace literacy impacts business – and what you can do about it.

### Did you know?

*In the 21st century, 60 percent of all jobs will require skills that only 20 percent of the current workforce have.*

*Source: The Hudson Institute*

## SKILLS OF ADULTS AT LEVEL 1 LITERACY

Can usually	Cannot usually
Sign one's name	Locate eligibility from a table of employee benefits
Identify a country in a short article	Locate an intersection on a street map
Locate one piece of information in a sports article	Locate two pieces of information in a sports article
Locate the expiration date information on a driver's license	Identify and enter background information on a Social Security card application
Total a bank deposit entry	Calculate total costs of purchase from an order form

Source: National Adult Literacy Survey

### The new meaning of literacy in the 21st century

To appreciate the challenge, it's important to understand that the very definition of literacy has changed dramatically over the years. A hundred years ago, a literate American could sign his name on a piece of paper. Today, according to the National Literacy Act of 1991, a literate American is able to "read, write, and speak in English and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve (his) goals, and to develop (his) knowledge and potential."

Yet almost 50 percent of American adults have low literacy skills, according to the 1992 National Adult Literacy Survey (NALS), making it difficult for them to do many of the tasks required to carry out work and family responsibilities. Many of the 22 percent of adults with the lowest literacy skills, called Level 1 on the NALS, could perform simple, routine tasks, like finding the time or place of a meeting on a form, but not much more. The 26 percent of adults with skills at the next level had more varied skills than those at Level 1, but their range of literacy skills was still very limited. Adults in the labor force had slightly higher literacy skills than the general population, but between 40 percent and 43 percent still scored at the lowest two levels of literacy proficiency.

Adults with low literacy skills tend to be at a great and increasing disadvantage in today's society and workplace. Their skills simply fall far short of expectations in a world driven by information and

knowledge. The full range of economic, social and personal opportunities enjoyed by more literate Americans are not open to them. Not surprisingly, people with Level 1 literacy skills are more likely to experience poverty; unemployment; and other economic, social and personal setbacks than are people with higher skills. These setbacks affect business and society as well.

### The "new basics" of literacy in competitive workplaces

The basic skills required in modern workplaces add another dimension to the changing meaning of literacy. The "new basics" go far beyond the three Rs of reading, writing and arithmetic – although these foundation skills continue to top every list of the definition of literacy.

In 1992, the U.S. Secretary of Labor's Commission on Achieving Necessary Skills (SCANS) defined five workplace competencies and three foundation skills needed for solid workplace performance in most jobs, from entry-level to supervisory and managerial. The SCANS report recognizes that all employees

need generic workplace skills, including "soft skills" or "people skills," that are distinct from technical knowledge or job-specific skills.

More recently, employers and educators have identified other kinds of literacy that are vital for working effectively in today's businesses, including computer, technical and digital literacy. Clearly, the meaning of workplace literacy continues to expand as workplaces change.

## Did you know?

*About 50 percent of American adults have low literacy skills.*

*Source: National Institute for Literacy*

### SCANS FOUNDATION SKILLS

- Basic skills: Reading, writing, speaking, listening and mathematics
- Higher-order intellectual skills: Reasoning, creative thinking, decisionmaking and problem solving
- Motivational or character traits: Maturity, responsibility, sociability and self-esteem

### SCANS WORKPLACE COMPETENCIES

- Resource management: Identifying, organizing, planning and allocating resources
- Information management: Acquiring and applying information routinely
- Social interaction: Participating as a team member, teaching others, servicing clients, negotiating
- Systems behavior and performance skills: Understanding social, organizational and technical systems; monitoring and correcting performance
- Technology use: Using machines to monitor or perform tasks

Source: U.S. Secretary of Labor's Commission on Achieving Necessary Skills

### SKILLS TO GET A JOB

- Read a want ad and complete a written application
- Talk about skills, abilities, accomplishments, likes and dislikes
- Answer and ask questions

### SKILLS TO SURVIVE ON A JOB

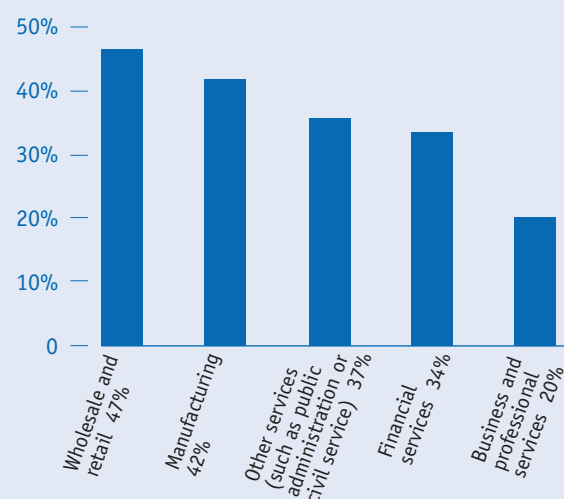
- Follow oral and written directions, ask for clarification or reasoning, and make small talk
- Locate written information, facts or specifications
- Understand technical vocabulary and the enabling words attached to them; for example, *Pour the pellets into the extruder*
- Understand and use charts, diagrams and illustrations

### SKILLS TO THRIVE ON A JOB

- Give as well as follow instructions
- Participate in group discussions
- Teach others
- Predict outcomes
- State a position
- Express an opinion
- Access and use information from diverse sources

Source: Center for Applied Linguistics

### BASIC SKILLS DEFICITS AMONG JOB APPLICANTS ACROSS INDUSTRY SECTORS



These figures represent the percentages of job applicants who lacked sufficient skills for the positions they sought in 1999, according to an American Management Association survey. Job applicants were tested in basic literacy and/or math skills — defined as “functional workplace literacy, i.e., the ability to read instructions, write reports and/or do arithmetic at a level adequate to perform common workplace tasks.”

Source: American Management Association, *Workplace Testing 2000*

### Where do U.S. workers stand?

To many employers, the SCANS skills and competencies continue to serve as the standard definition of workplace literacy. These are the “new basics.” But the list of basic skills continues to expand as businesses adjust to a rapidly changing, global economy. New technologies, information and competition will make today’s state-of-the-art products and processes obsolete tomorrow. By some estimates, jobs will be wholly restructured every seven years. Few working Americans will be able to remain competitive in their existing jobs without continually learning new skills.

Too many people are not prepared. In 2000, an American Management Association (AMA) survey of midsized and larger businesses found that 38 percent

of job applicants taking employer-administered tests lacked the reading and math skills needed in the jobs for which they applied. That percentage doubled in four years compared to the 19 percent of job applicants not qualified in 1996.

The AMA attributes this sharp rise not to rapidly declining basic literacy skills in the pool of available workers, but to rapidly rising requirements for reading and math skills in today’s workplaces. What happens to the applicants who fail their screening tests? Significantly, 85 percent were not hired by the mid-sized and larger companies that participated in the AMA survey. More likely, these applicants found jobs in the smaller companies that make up the largest share of American businesses.

### LITERACY CHALLENGES IN THE WORKPLACE

As the pool of skilled workers tightens and U.S. demographics change, companies increasingly are reaching out to nontraditional workers – and finding their basic skills lacking. A draft paper released in 2001 from the National Center for the Study of Adult Learning and Literacy, called *Building a Level Playing Field*, describes three challenges facing the nation’s employers and policymakers as well as individuals in the workforce who lack the skills required to succeed in the 21st century economy.

- **The language challenge.** The March 2000 Current Population Survey found that 6.5 million working-age immigrants arrived in the United States between 1990 and 2000. While some immigrants are highly educated and speak English proficiently, others have less education and limited English-speaking skills. Among those with limited skills, some are already in the workforce and could advance if their English language skills were stronger. Those not in the workforce could become interested in working if their language skills were better. At the same time, employers who rely on immigrants to meet their workforce needs face new issues brought on by their workers’ language differences.
- **The educational credential challenge.** Native-born and immigrant adults who speak English proficiently but dropped out of school before earning a high school credential represent a different workforce challenge. Changes in the economy over the last several decades have meant increased job skill requirements in many industries and declining economic prospects for those without a high school credential. Even so, the percentage of 18- to 24-year-olds who left high school without a credential increased from 21.2 percent in 1994 to 25.3 percent in 1998, according to the National Center for Education Statistics. While some of these adults are in the workforce, others are not. Some of the difficulty employers report in finding qualified applicants may be due to the number of young adults without a high school credential.
- **The new literacy challenge.** Adults who speak English proficiently and have a high school credential yet lack the basic skills required for the modern workplace present yet another challenge. These adults are either employed or actively looking for work. In earlier times, such workers could successfully compete for and hold good jobs, but today’s higher skill requirements make it harder for adults with low basic skills to be hired or keep jobs they already have. Employers most often face this challenge with incumbent workers who need to learn more advanced skills but lack the necessary foundation provided by basic skills.

Of 1,800 employers surveyed by the Center for Workforce Preparation in 2001, 40 percent said that a well-trained staff is the most important workforce-related factor to remaining competitive. But 36 percent reported “very severe conditions” for recruiting new employees. Thirty-four percent reported that applicants have poor employment skills, while an additional 30 percent reported that applicants have the wrong skill sets for available positions.

### Bottom-line benefits of improving workplace literacy

Efficient and competitive companies know that a well-trained, well-educated workforce is critical to success in the marketplace. Faced with continuing workforce shortages, however, companies are pressed to hire people whose skills do not match the demand.

There are compelling business reasons for companies, state and local chambers of commerce, and educators to work together to improve workforce skills. Employers overwhelmingly report increased profits and other bottom-line benefits when their employees gain basic skills that enable them to work more effectively, according to a 1999 report by The Conference Board, *Turning Skills Into Profit: Economic Benefits of Workplace Education Programs*.

Workplace education programs increase basic skills, such as reading and mathematics. They also foster positive attitudes among employees, including taking pride in and ownership of their work. These skills and attitudes are critical to business success. Improving workforce skills creates people who work smarter and better, with increased productivity and profitability for their companies. This means that employees, working with the same resources, materi

## ORGANIZATIONAL BENEFITS OF WORKPLACE EDUCATION PROGRAMS

	Percentage of employers reporting benefit gained
Improved employee morale/self-esteem	87
Increased quality of work	82
Improved capacity to solve problems	82
Better team performance	82
Improved capacity to cope with change in the workplace	75
Improved capacity to use new technology	73
More employees participating in job-specific training	73
Higher success rate in promoting employees within the organization	71
Improved effectiveness of supervisors	69
Increased capacity to handle on-the-job training	67
Improved labor-management relations	65
Increased output of products and services	65
Higher success rate in transferring employees within the organization	60
Improved results in job-specific training	56
Increased profitability	56
Reduced time per task	56
Quicker results in job-specific training	55
Reduced error rate	53
Better health and safety record	51
Reduced waste in production of products and services	49
Increased customer retention	42
Increased employee retention	40
Reduced absenteeism	33
<b>Employers reporting at least one benefit gained</b>	<b>98</b>

Source: The Conference Board, *Turning Skills Into Profit: Economic Benefits of Workplace Education Programs*



## SKILLS GAINED BY EMPLOYEES THROUGH WORKPLACE EDUCATION PROGRAMS

	Percentage of employers reporting skill gained
Greater willingness to learn for life	85
Improved ability to listen to understand, learn and apply information and analysis	84
Improved understanding of and ability to use documents	84
More positive attitude toward change	84
Better ability to build and work in teams	80
Increased understanding of and ability to use numbers by themselves or in charts and tables	76
Improved capacity to think critically and act logically to evaluate situations, solve problems and make decisions	73
Better ability to communicate using English	67
Improved ability to use computers and other technology, instruments, and tools and information systems effectively	65
Heightened understanding of and willingness to work within the group's culture	65
Stronger understanding of and ability to use prose	53
<b>Employers reporting at least one skill gained</b>	<b>98</b>

Source: The Conference Board, *Turning Skills Into Profit: Economic Benefits of Workplace Education Programs*

als and equipment, are able to work faster and more accurately, The Conference Board notes. It also means that they can perform tasks with less effort or, conversely, do a better job with the same effort. Employees can take on more tasks and do them better and faster.

With workplace training, employees get along better with colleagues and managers and cope with change in the workplace more effectively. In addition, they become more willing and able to learn job-specific skills and take greater responsibility for producing quality work and solving the problems that arise in every workplace – all of which are essential shifts in attitude and capacity for today's ever-changing workplace.

The direct economic benefits of workplace education programs – including productivity, profitability, reduced time on task, reduced error rates, improved health and safety records, reduced waste, and increased customer and employee retention – are important and measurable results. The indirect economic benefits – such as improved quality of work, better team performance, more positive attitudes and increased flexibility – are less tangible and more difficult to measure. Still, employers recognize that these

intangibles contribute enormously to organizational performance. The indirect benefits of increasing organizational capacity and performance with skills training frequently result in direct, measurable economic benefits, according to most employers interviewed for The Conference Board report.

### You can make a difference

Despite the substantial and increasing need for improving workplace literacy – and the bottom-line business benefits of training workers – there are relatively few workforce education programs. The reason may be that employers simply don't know where to begin.

The next section, “How to improve workplace literacy,” provides the information you'll need to get started.

**[www.uschamber.com/cwp](http://www.uschamber.com/cwp)**

*In this section, you'll learn:*

How you can improve workplace literacy in your community or business | 8

What other organizations and businesses are doing to improve basic skills | 10

# How?

## How to improve workplace literacy

### Organizing workplace education programs

Given the realities of marketplace competition today, employers cannot afford to ignore their workplace literacy problems. The business stakes are too high.

There are several ways to overcome workplace literacy problems. One way is to address them head on with training aimed specifically at the employees who need to improve their basic skills. This training should focus on the job-specific skills employees need to keep their current jobs, take on new responsibilities and/or increase their productivity.

Another approach is to include basic skills courses in a broader training program. According to a recent study by National Institute for Literacy fellow and economist Dr. Alec Levenson, training that covers a variety of topics creates a broader, more committed set of stakeholders among management and employees. More employees – not just those in need of stronger basic skills – can take advantage of training. The confidentiality of employees seeking or required to take basic skills courses can be maintained more easily if many kinds of courses are offered. Costs also can be spread over a wider variety of activities.

Working collaboratively, employers, employees, educators and other community organizations can create win-win programs for all stakeholders. Employers gain more skilled workers and more competitive businesses. Employees gain skills that increase their marketability and make their careers

and futures more secure. Educators gain insight and experience meeting business and community needs. Local partners benefit from a more qualified workforce and improved economic viability.

Educators work with employers and employee groups to develop the curricula. To be most effective and relevant to employees, workplace literacy programs should be connected closely to actual on-the-job experiences. To teach reading, for example, educators can use the written documents found in the workplace, such as quality control reports, safety requirements and instructions for operating equipment. To teach math, they can use blueprints, calibration figures, production targets and budget forecasts. Educators should work with employers and employees to analyze specific jobs to determine the reading, computing, speaking and reasoning skills that are required to perform job tasks effectively. The training programs should simulate these experiences so employees can practice and hone skills they can use immediately on the job.

Moreover, educators should be capable of diagnosing and addressing the specific challenges that adults may face, including learning disabilities, limited English proficiency and previous lack of opportunity to learn.

Fortunately, there are effective models and proven success stories that will help you get started.

*Chambers of commerce and other business groups* can take the lead by putting workplace liter-



acy on their agendas. They can convene local employers, assess their needs and broker public-private partnerships to develop and implement workplace literacy programs.

*Businesses* can take the lead by assessing their workplace skill requirements, identifying employees who need training and working with outside partners to provide training. They can join forces with other employers. Often, employers in a region or an industry sector have similar deficiencies in basic skills. They can pool their resources to offer classes in basic and job-specific skills. Working with competitors may seem counterintuitive, but it actually strengthens the workforce pool available to all employers.

*Educators* can take the lead by reaching out to and working with employers to develop workplace literacy programs. They can familiarize themselves with workplace requirements, which enables them to customize programs to meet business needs.

### Who participates in workplace education programs?

Existing and prospective workers alike will benefit from workplace literacy programs.

Employers may identify existing employees to participate in the programs, or employees may offer to participate on their own. Employers should explain clearly why the training is important to the company and workers alike.

They should involve employees in the planning process to help build support among workers at all levels, including supervisors and managers. Employers also should promote their workplace literacy programs widely, reaching out to every possible participant.

Workplace education programs should be voluntary: Rather than singling out people to participate, communicate in a nonthreatening and

nonjudgmental way the positive benefits for participating. Employees will be more likely to get involved in upgrading their basic skills in workplaces that offer a safe, supportive environment. They will want reassurance that their dignity and job security will not be threatened by participating.

Workplace education programs also can be used to train new hires or, in partnership with local chambers of commerce or local agencies, to train pools of applicants who then will be screened for hiring by employers.

### What can local chambers of commerce do?

#### Take the lead

- Convene a meeting of stakeholders in your local community to discuss literacy and workplace skills deficiencies that are affecting productivity and profits.
- Organize state and local advisory panels of employers to guide the development of curricula for work-related programs of study in secondary, post-secondary and second-chance programs.
- Discuss how the SCANS competencies and foundation skills can be developed through workplace education programs.
- Encourage employers to conduct an organizational review and task analysis. Out of this, employers can uncover literacy and skills deficiencies in employees and determine short- and long-term strategies for addressing them.

## Did you know?

*By 2006, nearly half of all U.S. workers will be employed in industries that produce or use information technology, products and services, according to the U.S. Department of Commerce. More workers will need basic computer skills to enter their chosen occupations — and additional, specialized training in field-specific applications to advance.*

#### Create effective partnerships

- Encourage employers to work with employees, educators and other stakeholders who have a common interest in improving the literacy and skill levels of workers in your community.
- Research and use service providers that have been effective in developing successful workplace education programs.

- Reach out to organizations that have been successful in implementing workplace education programs.
- Enlist the support of state and local employment agencies and adult education and community-based training organizations to leverage sources of funding and partnerships.
- Consult America's Literacy Directory to find nearby workplace literacy services. The directory, [www.literacydirectory.org](http://www.literacydirectory.org), uses a zip code-based search to locate appropriate programs. The same information also can be found by calling the National Institute for Literacy hot line at 800-228-8813.

### CONVINCING RELUCTANT EMPLOYEES TO PARTICIPATE

You may be able to convince reluctant employees to participate by taking these actions.

- Involve employees in planning and designing your workplace education program.
- Communicate to employees in a nonthreatening and nonjudgmental way about the program and how it will benefit them.
- Offer the program to all employees without singling out people who lack skills.
- Recognize, reward and provide incentives for employee participation and success in the program.
- Link employees' participation in the program with their performance reviews.
- Make it easy for employees to participate. Provide time during regular work hours for the program. Offer the program at the workplace or at a convenient location in the community.
- Link workplace basic skills to increased responsibility and pay.
- Involve your union representative in planning and delivering programs.

Source: [www.workplacebasicskills.com](http://www.workplacebasicskills.com)

### Support legislation tied to adult literacy training programs

- Pay attention to public policy. Advocate labor market policies that improve the ability of workers to acquire, enhance and employ their skills.

### What can employers do?

- Identify skill requirements by using the SCANS competencies and foundation skills and/or industry skill standards.
- Collaborate with other businesses, the chamber of commerce, educators and other stakeholders to develop programs and curricula.
- Identify employees who need training.
- Encourage employees to participate voluntarily by offering them incentives.
- Reward employees who improve their skills and on-the-job performance.

## CASE STUDY

### In Cleveland, educating workers to maintain a competitive edge

The Progressive Policy Institute's *State New Economy Index*, released in 1999, ranked U.S. states on key factors — such as technological innovation, education, specialized skills and organizational flexibility — that indicate the ability to compete in the new economy. Ohio's ranking among the 50 states: 33.

These results and other research support Daniel E. Berry's assertion that Cleveland and other Ohio cities must concentrate on developing a workforce that can support a vibrant, growing, high-tech economy. And Berry, vice president of the Greater Cleveland Growth Association and director of its Jobs and Workforce Initiative (JWFI), believes that businesses must engage actively in this effort if the region is going to overcome the challenges posed by Cleveland's workforce demographics.

"Cleveland is a no-growth population area with an undereducated, aging workforce and a shrinking cohort of young people," Berry explains. "Since our workforce is older than the national average, and we're losing young people, we have to improve the skills of our existing workers. Helping them grow — giving them opportunities to advance — is the only way to enhance individual companies' productivity and maintain the region's competitiveness."

JWFI, a regional, business-led collaborative effort, is working on several fronts – and with a variety of public-private, public-public and private-private partnerships – to elevate workforce development to a high-level community priority. JWFI is driven by a partnership with Cleveland Tomorrow, the Cleveland Foundation and the George Gund Foundation. It receives funding from the Annie E. Casey Foundation, Joyce Foundation and others.

### **Persuasion and advocacy change a community's focus**

JWFI programs work toward creating a simple community ethic: Companies should invest in their workers. Its success is self-evident. From its founding in 1996 to 2000, JWFI helped facilitate more than 18,000 jobs and more than \$2.3 billion in investments.

The Greater Cleveland Growth Association created JWFI to address several regional issues:

- Weak basic skills among entry-level workers in the region;
- Spot labor shortages in technical occupations;
- An undereducated workforce relative to competitor regions and the nation; and
- Lack of a coordinated regional approach to address the labor force needs.

JWFI has programs that focus on each of these challenges, and every program relies on business and community partners. In fact, the Growth Association believes it controls very few of the changes it promotes. Its key tools are persuasion and advocacy, based on its 16,500 members' clout and willingness to get involved.

Specific initiatives include:

- **State tax credit for employee training.** JWFI was a leading advocate for enacting a state tax credit for investing in the skills of employees. The plan, enacted in 1999, gives a tax credit for incumbent employee education: up to \$1,000 or 50 percent of the training cost per employee. The tax credit is capped at \$100,000 per company per year, with an annual statewide cap of \$20 million.
- **Worker Investment in Skills Education (WISE).** WISE makes it easier for companies to invest in basic skills training for employees by providing training in centralized locations. WISE

has been operating successfully in downtown Cleveland for two years and is expanding to other neighborhoods. Employers, therefore, don't have to organize on-site seminars or lose valuable time sending employees to off-site training far from their offices. Key partners are: the Cleveland Municipal School District Adult and Continuing Education Division, which supplies teachers, and the Old Stone Education Foundation. JWFI provides financial support for teacher stipends, parking expenses and other costs.

- **JWFI's partnership with North Coast Education Services (NCES),** a for-profit company that specializes in skills training, gives companies access to basic skills training customized for their employees. NCES visits a company interested in employee training, assesses the basic skills of its workforce and designs a program based on its specific needs. JWFI provides the infrastructure that covers the cost of the assessments. Companies pay for their own training programs.
- **Better Jobs Through Education.** This new partnership is geared to helping companies support employees' advancing education. JWFI teamed with Cleveland Works (a welfare-to-work program), the Cleveland Scholarship Program, Cleveland State University and Cuyahoga Community College. The partnership helps Cleveland Works graduates pursue continuing education. The Knowledge Works Foundation in Cincinnati supports this program.

Visit our Web site to find all you need to take action:  
A sample meeting agenda and PowerPoint presentation to get started  
Tools and resources to stay the course

# How-to

## Tools and resources for business organizations and employers

**N**ow that you know about workplace literacy and the business benefits of improving basic skills, the Center for Workforce Preparation can help you launch a program in your community or business.

Visit our Web site, [www.uschamber.com/cwp](http://www.uschamber.com/cwp), to access these resources, presentation materials and tools.

### Resources

- **Case studies.** Learn how other communities and businesses are tackling their workforce literacy deficiencies. A case study of Cleveland is on page 10, and profiles of Baltimore and Fayetteville, NC, are on our Web site.
- **Contact list.** Connect with dozens of organizations and get free information about workplace literacy.
- **Glossary of literacy terms.** Talk the talk by learning the language of literacy, including terms about basic skills, thinking skills and personal qualities.

### Presentation materials

- **A sample meeting agenda.** Learn how to organize an effective meeting about workplace literacy.
- **A sample PowerPoint presentation.** Download the PowerPoint presentation, which is shown beginning on the next page. If you like, you can customize this presentation for your meeting.

### Tools


- **Measuring skill needs.** Use this comprehensive checklist to determine the skills needed for specific businesses and jobs.
- **Measuring gains and outcomes.** Use these tools to help you evaluate your workplace literacy program.
- **Measuring benefits and impacts.** Use these resources to measure the results of workplace literacy programs for businesses and employees.

**[www.uschamber.com/cwp](http://www.uschamber.com/cwp)**

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# Literacy: America's Workforce Challenge

HIGHER SKILLS. BOTTOM-LINE RESULTS



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## What Is Literacy in the 21<sup>st</sup> Century?

Literacy means:

- Reading
- Writing
- Speaking in English
- Computing and solving problems
- Doing everything well enough to function on the job and in society and to achieve personal goals

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## Workplace Literacy and Basic Skills

- Workplace literacy adds another dimension — on the job, workers need additional skills such as problem solving, listening and communicating.

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## SCANS Secretary's Commission on Achieving Necessary Skills

- In 1992, SCANS identified five workplace competencies and three foundation skills needed for solid workplace performance. The group concluded that *all* workers need to have these skills to succeed in the workplace.

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## SCANS Workplace Competencies

- Resource Management: identifying, organizing, planning and allocating resources
- Information Management: acquiring and applying information routinely
- Social Interaction: participating as a team member, teaching others, servicing clients, negotiating
- Systems Behavior and Performance Skills: understanding social, organizational and technical systems; monitoring and correcting performance
- Technology Use: using machines to monitor or perform tasks

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## SCANS Foundation Skills

- Basic Skills: reading, writing, listening, speaking and mathematics
- Higher-Order Intellectual Skills: reasoning, creative thinking, decisionmaking and problem solving
- Motivational or Character Traits: maturity, responsibility, sociability and self-esteem

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## Applying SCANS in the Workplace

- Efficient and competitive companies know that a well-trained and well-educated workforce is vital to success in the marketplace. Workers need these skills to be effective at work, at home and in the community.

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## Why Do Literacy and Basic Skills Matter?

- The need for workers with stronger skills continues to grow.
  - In a 1994 Education Quality of the Workforce-National Employer Survey, more than half of the companies said skills requirements for nonsupervisory jobs have increased.
  - The U.S. Bureau of Labor Statistics projects a 9 percent increase in jobs that require apprenticeships or work-based training that lasts more than a year.

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## Why Do Literacy and Basic Skills Matter?

- Some changes in demographics reduce the supply of skilled workers.
  - The large, baby boom labor force has begun to retire.
  - The population in some parts of the country is declining or growing very slowly.

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## Why Do Literacy and Basic Skills Matter?

- Companies have trouble finding and keeping the employees they need.
  - One-third of companies in a 2001 national survey conducted by the National Association of Manufacturers said poor reading and writing skills among hourly workers were a problem.
  - The number of companies reporting skilled worker shortages increased 20 percent from 1995 to 1998.

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### Why Do Literacy and Basic Skills Matter?

- Jobs are going unfilled while substantial numbers of workers remain an "untapped resource" because of their low basic skills.
  - Almost 50 percent of all American adults have limited literacy skills, according to the 1992 National Adult Literacy Survey.
  - More than 40 percent of the labor force has limited literacy skills.

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### Low Basic Skills Have Consequences for Employers, Individuals and Society

- Adults with low basic skills must work harder and harder to keep up financially.
- Employers struggle to find qualified workers.
- Economic prosperity depends on a strong, skilled workforce.

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### Improving Workplace Basic Skills Means Meeting Three Literacy Challenges

- Language Challenge
- Education Credential Challenge
- New Literacy Challenge:
  - Technology
  - Math and science

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### Improving Workplace Basic Skills: The Language Challenge

- Six-and-a-half million working-age immigrants arrived in the United States between 1990 and 2000 and helped meet many labor force needs.
- Some have only basic English language skills, which keeps them out of the labor force or from advancing.

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### Improving Workplace Basic Skills: The Educational Credential Challenge

- There are native-born and immigrant adults who speak English proficiently but who don't have a high school credential.
- Real earnings for men without a high school credential declined 28 percent from 1979 to 1995.
- Adults without a high school credential are unattractive to employers.

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### Improving Workplace Basic Skills: The New Literacy Challenge

- Many adults who speak English well and have a high school credential still have low literacy skills.
- 48 percent of full-time workers with a high school diploma or GED had low literacy skills, according to the National Adult Literacy Survey.

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### Technology

- As the tools of each trade become more sophisticated, many more occupations will have "tech" elements.
- All but a very few Americans will face the need for supplementary skills to remain competitive in their existing jobs.

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### Math and Science

- The percentage of applicants taking employer-administered tests who lacked the math and reading skills necessary for the jobs for which they are applying increased from 19 percent in 1996 to 36 percent, according to a 1998 AMA survey.

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### Math and Science

- The sharp increase is due not to a "dumbing down" of the incoming workforce but to higher literacy and math skills required in today's workplace.

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### A Solution?

#### Workplace Education Programs

Organizations concerned about the future of their workforce are addressing basic skills and language deficiencies through workplace education programs.




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## Workplace Education Programs

- Focus on literacy and basic skills training that workers need to gain new employment, retain present jobs and advance in their careers, or increase productivity.
- Help businesses improve employees' skills, empowering them to work smarter and better and cope well with change in the workplace.

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## Workplace Education Programs

### Benefits to Business

- A workforce that is able to meet the challenges of new skills requirements
- A workforce more adaptable to cross-transfers and promotions
- A safer workforce
- Less supervisory time spent correcting mistakes
- Better communications among levels of workforce

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## Workplace Education Programs

### Benefits to Employees

- Enhanced self-esteem
- Greater chance for promotion and cross-transfers
- Enhanced opportunity to achieve goals in their personal lives and community
- Increased participation in all workplace activities

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## Workplace Education Programs

### Benefits to Employers

- A more literate, highly skilled, trained and informed workforce can enhance an organization's competitive edge and ability to compete in a global economy.
- Workers who improve their basic skills through participation in workplace literacy programs will be more productive and hence earn higher wages and have greater job security.


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## A Call to Action

- Take the lead: Convene a meeting of stakeholders to discuss literacy and workplace skills deficiencies in your area.
- Organize state and local advisory panels of employers to guide the development of curricula for work-related programs of study in secondary, postsecondary and adult education programs.


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## A Call to Action

- Discuss the SCANS competencies and foundation skills and how these skills can be developed in employees through workplace education programs.
- Encourage employers to conduct an organizational review/task analysis; out of this, employers can uncover literacy/skills deficiencies in the workplace.
- Offer to facilitate a planning committee and help employers determine short- and long-term strategies for addressing their needs (as identified through the review/task analysis).


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## A Call to Action

- Build skills into jobs: Encourage employers to work with employees, adult educators and others to identify and enhance the skill component of jobs.
- Research and use service providers that have been instrumental in developing workplace education programs.
- Visit America's Literacy Directory, [www.literacydirectory.org](http://www.literacydirectory.org), for program locations and services.


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## A Call to Action

- Communicate with organizations that have been successful in implementing workplace education programs.
- Use "promising practices" as the foundation to develop your "customized" WEP.
- Enlist the support of state and local employment agencies (adult education/ community-based training organizations) to leverage sources of funding partnerships.

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## A Call to Action

- Pay attention to public policy: Advocate labor market policies aimed at improving the ability of workers to acquire, enhance and employ their skills.



The Center for Workforce (CWP) is charged with establishing the U.S. Chamber of Commerce as the leader in workforce development strategies so that the employees of its members are fully equipped to compete in the 21st century economy.



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