

C

E



Center for
Effective
Organizations

**INVESTING IN WORKERS' BASIC
SKILLS: LESSONS FROM COMPANY-
FUNDED WORKPLACE-BASED
PROGRAMS**

**CEO PUBLICATION
G 01 -18 (408)**

ALEC R. LEVENSON

*Center for Effective Organizations
Marshall School of Business
University of Southern California*

November 2001

This study was prepared under a fellowship from the National Institute for Literacy. The views expressed are those of the author and not necessarily those of the National Institute for Literacy.

Produced with funds from a 1999-2000 National Institute for Literacy (NIFL) Literacy Leader Fellowship, Award No. X257I990024.

**Center for Effective Organizations - Marshall School of Business
University of Southern California - Los Angeles, CA 90089-0806
(213) 740-9814 FAX (213) 740-4354
<http://www.marshall.usc.edu/ceo>**

Investing in Workers' Basic Skills:
Lessons from Company-Funded
Workplace-Based Programs

Alec R. Levenson, Ph.D.

Center for Effective Organizations
Marshall School of Business
University of Southern California

November 2001

This study was prepared under a fellowship from the National Institute for Literacy. The views expressed are those of the author and not necessarily those of the National Institute for Literacy.

Produced with funds from a 1999-2000 National Institute for Literacy (NIFL) Literacy Leader Fellowship, Award No. X2571990024. This material is copyrighted and may not be reproduced by any means mechanical or electronic without express written permission of the copyright holder.

Non-profit adult education programs have advance permission to reproduce this material for internal use only. Materials must be reproduced as is, including the copyright notice and NIFL information. No editing, adaptation, or modification of any kind is permitted without express written permission of the copyright holder.

To order:

Single copies of this publication will be available free of charge from the National Literacy Hotline at 1-877-433-7827, or you can order on the World Wide Web from the U.S. Department of Education at <http://www.ed.gov/pubs/edpubs.html> by searching for [Fellow].

On the World Wide Web:

This entire publication will also be available free on the World Wide Web by clicking on [Alec Levenson](http://www.nifl.gov/nifl/fellowship/fellows.html) at <http://www.nifl.gov/nifl/fellowship/fellows.html>

Contacting Alec Levenson:

Center for Effective Organizations
Marshall School of Business
3670 Trousdale Parkway, BRI-204
University of Southern California
Los Angeles, CA 90089-0806
213-740-9814
alevenson@marshall.usc.edu
<http://www.marshall.usc.edu/ceo/>

Table of Contents	Page
1. Overview.....	3
2. What is a workplace basic skills program?.....	3
3. The study.....	4
4. Why company-funded programs?.....	4
5. Investing in workers' basic skills: theory and practice.....	5
6. The conditions needed for company support.....	8
7. Workplace basic skills, training, and the learning center model.....	9
8. What hook will work?.....	11
9. The decision makers.....	14
10. Is there a role for outside funding?.....	15
11. Strategies for achieving long-term program viability.....	16
12. Confidentiality, release time and outsourcing.....	18
13. Scheduling.....	19
14. Location.....	20
15. What role should computers play?.....	20
16. The curse of unmet expectations.....	21
17. The relationship to lifelong learning.....	22
18. Recommendations for basis skills practitioners, employers, and policy makers.....	22
19. Supplemental reading list.....	24
20. Acknowledgements.....	24
21. Appendix: Program descriptions.....	25

1. Overview

This monograph is written for those interested in promoting company-funded workplace basic skills programs. The key issues addressed include:

- Companies' rationale for investing in workers' basic skills
- The factors that need to be in place for a workplace basic skills program to be adopted
- Who in the company makes the decision to fund a program
- The relationship to the company's philosophy on training
- The learning center model
- The role of external grants as potential seed funding sources
- The relevance – and difficulty – of showing a direct bottom line impact from the program
- Tailoring the program to the needs of the business and its employees
- Long term sustainability
- The pros and cons of confidentiality, scheduling/release time, and location
- The role of computer-based learning
- The curse of unmet expectations – both the company's and the employees'
- Lifelong learning and the limitations of workplace-based programs

The primary audience is adult education and training professionals interested in promoting company-funded workplace basic skills programs. Companies interested in implementing programs to boost frontline workers' basic skills are a secondary audience. However, the writing is often pitched more toward the program practitioners. Policy makers may find some of the lessons here useful as well.

2. What is a workplace basic skills program?

The notion of basic skills traditionally encompasses reading, writing and mathematics only. In recent years, as Levy and Murnane (1996) argue in their plea for a new conception of basic skills, the set of abilities needed to perform most jobs has expanded to include teamwork, interpersonal communication, and facility with computers. I support this expanded definition. However, for the purposes of this monograph, I focus more narrowly on the traditional set of basic skills because those are the ones for which companies are most reluctant to provide remedial help financed by internal dollars. I include English language education for native speakers of other languages (ESL/ESOL) in my definition and analysis.

Workplace basic skills programs are defined here to include *any* workplace-based program that provides some amount of basic skills education. Employing such a liberal definition allows a focus on the factors that lead companies to provide basic skills education to their workers.

For many adult education professionals, “literacy” is the shorthand term most often used to refer to the basic skills discussed here. The origin goes back at least a decade to the design of the National Adult Literacy Survey (NALS). (See Kirsch, et al., for a detailed description of the NALS results.) The NALS helped redefine literacy to refer to a broad set of skills needed to

function as an adult in society. Example of the skills evaluated by the NALS include locating the expiration date on a drivers license, calculating the total costs of a purchase from an order form, explaining the difference between two different kinds of employee benefits, and interpreting a brief phrase from a lengthy news article. Instead of drawing a line above which someone is considered “literate” and below which lies “illiteracy,” the NALS created five levels of literacy, with the first level corresponding to those with the lowest level of basic skills.

I find the NALS literacy levels to be very useful in discussing basic skills issues, and they are now well accepted among adult educators. However, the NALS is still largely unknown within the business community. So, to avoid undue confusion among the business audience, here I use “basic skills” to be synonymous with the two lowest levels of literacy measured by the NALS.

3. The study

The results reported here are from research into companies’ rationales for funding and supporting workplace basic skills programs. Programs at eight organizations in seven different states were included in the study, including four manufacturing companies (two from the same industry), two health care organizations, one insurance company, and a consortium of hotels. Both Fortune 500 and smaller companies were included. In three of the cases, either multiple sites used the program (the hotel consortium) or the program was in place at two or more sites (two of the manufacturing companies). This allowed for additional between-company analysis of the motivation for and usage of the program.

All of the programs were selected because they were entirely funded by the company as of the time of the study. Some started with external grant support; the rest were set up with internal funds from the beginning. In addition to a broad sampling of industries, the programs were also selected for diversity of three other key characteristics: union membership, ESL population, and type of program provider. Two of the companies’ frontline workers are unionized; four are completely nonunion; the remaining have a mix of frontline jobs that are both unionized and nonunion. Two of the programs’ target employees are solely ESL; three employ only native English speaking employees; the remaining programs serve a mix of ESL and non-ESL workers.

Finally, one company uses a commercial reading program. The rest use workplace basic skills practitioners who work for community/technical colleges, vocational schools or nonprofit agencies, or who are independent consultants. In one case the former outside employee became a company employee when the external grant ran out and the internal funding started.

4. Why company-funded workplace basic skills programs?

- Almost 50 percent of U.S. adults operate at the two lowest levels of basic skills as measured by the National Adult Literacy Survey; about half of them – one quarter of all U.S. adults – work in full- or part-time jobs. The challenges of making ends meet on low wages, and

taking care of family during off-work time are both time-consuming and tiring. Finding the additional time and energy to seek out and attend an off-work-site adult education program can be a daunting task.

I never would have done it on my own without [the company program], never would have gotten my high school diploma. By the time you get home, you don't want to have to get in the car to go take a class somewhere else. It's much better having it at work. (Employee)

- In addition to scheduling and convenience issues, a second argument for workplace-based programs is contextually based motivation and learning. Linking the curriculum to job requirements can provide a strong motivation for the employees to participate because it is easier for them to see how the learning can immediately impact their job performance (relative to abstract examples not rooted in their everyday activities). A curriculum that uses workplace examples and skills also can be more appropriate for adults who did not respond to standard classroom learning while attending primary and secondary school.
- The federal and state government dollars available to promote workplace basic skills programs pale in comparison to the need. Even if public funding were expanded dramatically, it is highly unlikely that a comprehensive system of workplace-based adult education could be broad and deep enough to address society's needs without substantial private funding.
- Union-led efforts have the potential to provide programs that balance the company's and workers' objectives. Yet, with unions representing less than 10 percent of private sector workers, such efforts cannot reach the vast majority of individuals in need.
- Companies spend tens of billions of dollars annually on training, but only the smallest fraction of that goes toward basic education/workplace basic skills. Evidence suggests that companies can benefit from basic skills programs; see Sections 5 and 6 for a discussion. Understanding why companies pay for remedial education (among those that already do so) should help validate that spending and communicate its relevance to other companies.

5. Investing in workers' basic skills: theory and practice

Simple economic theory predicts that companies will not pay for basic skills development. Yet the reality is much more complex.

Human capital theory

Basic human capital theory predicts that companies will not pay to improve workers' basic skills. The problem is that such skills are easily transferable to jobs at other companies. The company employing low-skill workers should benefit from increased productivity if the workers increase their basic skills. But the workers who successfully increase their basic skills should get both (a) higher compensation at their current employer, and (b) better job opportunities elsewhere. Thus the theory predicts that increasing workers' basic skills should increase their wages at the firms where they are working; but it should also increase the likelihood that they will leave the firm for a job elsewhere. This prediction of higher turnover is part of the conventional wisdom as to why companies will not pay for basic skills training and education.

While this argument is compelling in its simplicity, there are a number of reasons why companies do choose to invest in workers' basic skills.

Why the theory is correct

First, the theory simply says that companies will not pay the (full) cost of investing in workers' basic skills. Many companies do make such investments and either recoup the costs up front or defer the benefits to the worker until later; both options are consistent with the theory. To recoup the costs up front, many companies require employees attending workplace basic skills programs to do so entirely on their own time. As workers' salaries are one of the largest contributors to a company's expenses, this donated time can be quite valuable to the company.

Deferring the benefits to the worker until later happens a different way. Operating at a high(er) level of basic skills is often needed for a worker to qualify for a promotion. But promotions are never guaranteed. If a group of workers increases their basic skills to qualify for promotions, the company immediately benefits from their higher productivity. But the workers themselves do not get raises until they get promoted. Thus the company benefits in the short term from higher productivity among all those seeking promotions. And the company continues to benefit in the longer term from those who do not get promoted yet continue to work in their old jobs at the same pay.¹ In these cases, the company can reap significant benefit even if it allows its employees to attend the program on company time.

Why the theory is too simplistic

Though the predictions of the simple human capital theory are correct in the cases discussed above, in some very important respects the theory is too simplistic.

A fundamental problem with the simple human capital theory is that it looks at basic skills in a vacuum, treating them as characteristics that workers can increase whenever they want to. The theory implicitly assumes that people with low basic skills voluntarily decided to stop learning because they didn't view it as worth their while to do so when they were in school. The implication is that they can decide to learn these skills whenever they want to at no cost but their time. But people who make it to adulthood without learning the basics often face significant barriers to learning as adults, be they physical (such as learning disabilities) or psychic (such as the stigma of being unable to read).

Why is this relevant for human capital theory? The theory assumes that a worker whose basic skills are increased by a company will be more likely to look for a job elsewhere. Yet this ignores the strong impact that investing in workers' basic skills can have on boosting their loyalty to the company. Most low-skill workers expend large amounts of energy and time finding ways to hide their deficiencies, relying on co-workers, friends and family to help them learn tasks, read written communications, write memos, perform math calculations, etc. They often

¹ Of course, the company benefits from promoting qualified employees to higher level positions that are both higher paying and more productive. This argument is discussed below. But if the company has to pay for the higher skills upon promotion, then there may be no "excess" benefit to the firm compared to what it gets when lower-paid workers boost their basic skills with no commensurate increase in their compensation.

live in fear that their supervisors will discover their shortcomings and fire them. Providing a “safe harbor” for workers to address their skills deficits on the job without fear of retribution can be an effective way to decrease turnover through two channels.

The first channel is via productivity and error rates. In the absence of a workplace basic skills program, a low-functioning worker may run a significant risk of getting fired for making costly mistakes. Narrowing the skills gap can boost productivity and decrease error rates, lessening the likelihood of termination for underperformance.

The second channel is via increased commitment and loyalty to the organization. Monetary compensation is not the sole characteristic that makes jobs appealing. Working for an organization that distinguishes itself by actively supporting low skill workers can boost worker morale and loyalty significantly.

[The program] makes you feel good about [the company]. I thought they could care less about us, but this shows that's not the case. (Employee)

The fear is that the employees won't continue, won't stay on because they want to get a better job. But that's not the case. The employee feels both the need and desire to reciprocate through good work. (Program administrator)

This in and of itself can decrease turnover even when there is no additional monetary compensation forthcoming.

Whether turnover ultimately goes up or down is an empirical question: the increase in the employee's outside job opportunities should increase the propensity to switch jobs, but the decreased probability of being fired and the increased loyalty should make the employee more likely to stick with the same company. However, even if turnover increases in entry/low level positions, retention within the company may go up, so long as there is room for upward mobility. This points to the important role that workplace basic skills programs can have in fostering internal job ladders where they were nonexistent or underutilized previously. See below for further discussion on this point.

Job design and technological innovation

A more practical point is that demands on many frontline workers have increased in recent decades with advances in technology and innovations in job design. In response to competitive pressures to provide better quality more efficiently, companies have removed layers of middle management and added job requirements that increase the skills needed to successfully perform many frontline jobs. Examples include increased decision making authority, greater communication through e-mail and other means about the company's strategy and financials, team work and cross-training, et al. Yet those same competitive pressures have also led many companies to increase compensation much less than the increased skill demands might warrant. In addition, the ever-tightening labor market has meant diminishing skill levels among the pool of potential workers. The consequence frequently is high employee turnover, low product quality, and/or poor customer service.

One way to address these problems, of course, is to increase compensation to attract workers with higher skill levels. Yet this may be an imperfect solution from both the company's

and society's perspectives. For companies operating in highly competitive product markets, significantly increasing wages might put them at a disadvantage relative to their competitors and/or disrupt their internal job ladders and compensation structure.

We know that we pay less than other companies do for low skill entry level workers (in this area), but we can't easily raise pay. It's not just an issue about pay for the entry level jobs. If we raise pay for them significantly without making adjustments at many other levels, then that introduces significant wage compression, which would create even more problems. (HR executive)

We just had a wage increase to try to address the disparity with the local market. We raised it more for people with little experience, but that created lots of morale issues. (Training manager)

And even if a company is willing to pay significantly more, low skill workers could easily lose out precisely because the company then likely would screen for higher skilled workers when hiring. Thus a workplace basic skills program that enables lower skilled workers to bridge the skills gap, qualify for and keep jobs with higher skill levels may be a solution.

6. The conditions needed for company support

As discussed in the previous section, there are benefits to companies that provide workplace basic skills training. The potential benefits include higher productivity, quality and customer service; fewer errors, injuries, and miscommunications between management and frontline workers; reduced employee turnover, increased loyalty/commitment, and better internal job promotion.² Yet the promise of a benefit alone is not sufficient for a company to support a workplace basic skills program. The company also has to value that benefit as higher than the cost of providing the program, i.e. the net benefit has to be positive.

Unfortunately, precisely quantifying the benefits of such programs can be difficult. And even where a benefit can be shown, it is difficult to guarantee the same benefit will be realized in a different organizational setting. The key factors underlying the success of a program can be very different from company to company. These include, but are not limited to, the company's industry, leadership, and geography, and its philosophy on the importance of training and the role of the human resources function.

In this way, workplace basic skills programs face the same challenge as training efforts more broadly, some of which meet stiff resistance from frontline supervisors:

When I started as training manager in [year], at that point, if you went to training the culture was that you were on your way out because you didn't know how to do your job well. But retention was a major problem. The local division didn't want to hire a training manager, but corporate mandated it. So there were culture

² The Conference Board's report (Bloom and Lafleur, 1999) and web site (www.workplacebasicskills.com) provide numerous examples of and quotes describing the economic benefit of workplace basic skills programs. Unfortunately, as of the writing of this manuscript, these sources offered no guidance on how to design programs to address specific bottom line issues. Delving into program design was beyond the scope of my fellowship, though some brief observations and quotes are offered in the program descriptions in the appendix.

clash issues. My mandate was to look at turnover and develop basic skills. But no one here really knew what I was doing. (Training manager)

Even where the support for training runs more deeply, it can be difficult to draw a causal link between a training initiative and positive bottom-line impacts that exceed the costs. The problem is that most companies make continual modifications to the way they do business in order to maximize profits. Isolating the impact of a training or workplace basic skills program alone may be very difficult. Thus it is difficult to design clean measurements of a program's impact that are guaranteed to sway the skeptics.

As soon as you start training, then PFO [profit from operations] falls immediately. In some sense you have to have faith [initially] that it will pay off – like advertising. (Vice President – Operations)

Fortunately, the potential impact of a workplace basic skills program on a company's bottom line can be quite large, particularly if the number of workers in need of the program is also large. Just as with any other investment or an insurance policy, companies are quite used to paying for something with an uncertain outcome, so long as the expected payoff (discounted for the probability of success) exceeds the costs. Thus if the costs can be spread out over a large enough group of workers, and the potential benefit to the firm is large enough, a workplace basic skills program can be a sound investment.

7. Workplace basic skills, training and the learning center model

Companies' decisions to provide workplace basic skills courses are often coupled with the expectations that the curriculum will focus on job tasks and the results will be immediate. This presents a challenge to workplace basic skills practitioners.

It's tough finding the money to spend [in this industry] if the payback doesn't happen immediately. (Vice President – Human Resources)

One of adult educators' biggest criticisms of workplace-based programs is that these pressures lead to narrowly focused curricula with an emphasis more on "training" than "education." Yet the reality is more complex than this simple criticism suggests.

Training versus education

Contextually based learning (using real examples from the everyday work environment) is biased toward a narrow focus on job tasks. But the impetus for that does not come solely from company managers. Workers, too, may demand the narrow focus or refuse to attend. One of the programs I studied tried offering a GED program but dropped it because of lack of employee interest. In this case the employees preferred the curriculum that was more tightly focused on learning the tasks needed to do their jobs well. They were not interested in taking the time to build their skills more broadly.³

³ It should be noted that no release time was offered in this program. We do not know whether demand for the GED curriculum would have been higher if it had been offered on release time.

This example appears to bolster adult educators' skepticism about an undue focus on training, i.e. vocational instead of general education. Indeed, a common theme at most of the companies analyzed for this monograph is a strong link between workplace basic skills programs and broader training initiatives. This theme emerged despite the fact that the programs were not selected for inclusion because of a link to training. Yet despite the lack of emphasis on training when selecting the sites, in every case the workplace basic skills program is viewed as either complementing or explicitly being part of the company's training initiatives. Instead of confirming adult educators' skepticism about an emphasis on training and a narrow emphasis on vocational education, many of the sites produced examples of broader educational interventions with their student workers, including GED prep and GED classes.

Workplace basic skills and broader training initiatives

This link between workplace basic skills and training efforts more broadly should not be underemphasized. Many companies view training as irrelevant to their core activities. In these companies' minds, training is something that happens informally on-the-job and on employees' own time outside of work. Frequently it is only those taking the time and initiative to increase their skills on their own who are rewarded with jobs and promotions. In contrast, other companies recognize that not all employees have both the drive and access to resources to be fully self-sufficient in training, and so may need company support. Moreover, a formalized approach to training helps ensure that each new person in a job does not have to "reinvent the wheel," that is, make the same mistakes that their predecessors did. This can significantly cut down on errors and waste. Given these very different philosophies on training, it is not surprising that I found such a strong link between workplace basic skills programs and larger training efforts, albeit among a small sample.

Having the resources for a workplace basic skills and/or training program on site can lead to much more effective skill development:

As a supervisor, when doing performance evaluations it's a lot easier to talk to people about improvements they need to make in certain areas when you have a place that offers help to them. Instead of telling them they have to go out and find the resources on their own, if you know that the person can get help with, say, writing skills [on site], it's a lot easier to nudge them along a little bit. Or if they are interested in another job/promotion, you have a place to send them.

(Supervisor)

In this way the programs are directly linked to efforts to improve the bottom line.

The learning center model

The source of many comprehensive educational interventions among the sites was one particular basic skills delivery model: the learning center, in place at three of the eight companies. While the specific details vary from site to site, there are a number of commonalities across the different learning centers:

- Basic skills typically are just one part of the curriculum. Others parts include computer/keyboarding skills, supervisor training, communication, stress management, mandated safety training, et al.

- The learning center's diverse array of offerings is used by many more employees throughout the company than just those in need of basic skills remediation. This creates a broader and more committed set of stakeholders among both management and the workers.

The biggest bang for our buck in a narrow sense is the ESL, but it really helps that almost everyone in the plant has used the center for one thing or another. This creates a great deal of buy-in, support. The more personally oriented courses [trip planner, birthday card creator, et al.] also encourage people to use computers on their own time, making them more computer literate. (Frontline supervisor)

- Because the costs of the program are spread over more activities than just workplace basic skills, it is much easier to justifying the dollars spent on basic skills. In fact, at a number of sites, the management perceived much less usage of the basic skills components than the program administrator described.
- The capacity to address basic skills issues is built into the training function's mission so that it is there to be used as needed. If there is less demand for the basic skills curriculum one quarter, more of the staff's time is spent on other offerings. This capacity is critical for serving the incumbent workers whose skills gap problems are not solved right when the program is established, as well as the new hires who come on board at later dates.

In our tool and die apprenticeship program, one of the [non-native English speaking employees] was on an apprenticeship track, but had language difficulties. So we froze the clock on his apprenticeship until he was able to improve his language skills, and then restarted the apprenticeship. (Frontline supervisor)

- It is easier to preserve confidentiality if the basic skills curriculum is delivered one-on-one or via computer in the same facility where the non-basic skills modules are offered.

When we visited programs at other sites, we got the clear message that the employees don't want it to look like the place that dummies go ... We provide a lot of personal interest subjects to entice people to come in, and to disguise the use of the basic skills modules: typing, resume writing, trip planning, Encarta encyclopedia, Spanish, sign language. (Training director)

In these ways the learning center model can enable long term sustainability of workplace basic skills efforts.

8. What hook will work?

The hook that works, i.e. how to talk about providing basic skills training, varies from company to company. It depends on the company's industry, strategy, history, and general approach to human resources and benefits issues. Specific questions to address include:

What is the company's philosophy on training? Training for frontline (incumbent) workers?

- If a company believes in the principle of training already, then the necessary building blocks are in place. However, most companies devote a disproportionate amount of training dollars to managerial, technical and professional employees. So the key is to make the argument that

training dollars spent on frontline workers can have as large an impact on organizational effectiveness and the bottom line as training dollars spent on higher level employees.

Is there a cohort of (older) incumbent workers hired before practices were put in place to carefully screen new recruits?

- Before the recent trend toward increasing skills and responsibilities for frontline workers, many companies did not screen job applicants for a minimum level of basic skills. Over the years they developed an incumbent workforce that often lacked in key basic skills. While many companies have responded by instituting more stringent hiring criteria, that does not solve the problem among the longer-standing employees.

We instituted a formal testing program, hired 400 people [over time] through that, which raised the skills of the entry level workers. But we still had the problem of incumbents with low basic skills. We rewrote the training manuals at a 6th grade level, had training classes, but that still didn't work because of their reading problems. (Operations manager)

- Moreover, large scale replacement of incumbent workers with new hires can lead to a loss of significant company-specific skills and experience, undermine morale among the remaining employees, and/or expose the company to lawsuits for discrimination (based on age, race, ethnicity, gender). Morale issues also arise when low-functioning workers hit a glass ceiling because of their skills only to see employees with less tenure, but higher skills, get promoted above them.

In these cases, a workplace basic skills program may be the most effective, or the only, option.

What is the company's strategy for recruiting new workers? Have they seen a marked deterioration in the quality of job applicants recently?

- The desire to limit legal liability because of perceived discrimination also keeps many companies from doing extensive testing of job applicants' basic skills.
- In other cases, particularly in recent years with the very tight labor market, the available pool of workers may have very low basic skills. Yet basic skills are only one aspect that determines whether someone is a good employee. "Soft skills" such as the ability to take direction, work well with others, communicate effectively, show up to work on time, and be committed to the organization are all highly valued by companies as well. Many people think that it is easier to teach basic skills such as reading, writing and math, than it is to teach these soft skills.

At first HR thought that anyone who wasn't ESL should be able to breeze through the new hire assessment; but that was not the case. Many people don't know the difference between quantity and quality, a key issue for this environment. What companies want is someone who is reliable and will show up for work. We couldn't use tests for screening new hires because they would screen everyone out. (Training manager)

Thus a workplace basic skills program can be used as a recruitment, training and retention mechanism.

Is turnover a problem?

- Workplace basic skills programs can help equip workers with the skills they need to keep their jobs and advance. They also can help boost employee commitment and loyalty.

[Comparable jobs] in the city pay more. Many of our employees have to take three buses to get here by 7 a.m.; they get up at 4 a.m., leave at 5 a.m., don't get home until late. Taking the program is big for attraction and retention.

(Supervisors)

Has the company recently upgraded or introduced new equipment/computers?

- A common story in recent decades involves the difficulties in introducing computerized technology to an incumbent workforce that has low basic skills. Over the years, these workers develop elaborate coping strategies for working with machinery and communicating with others. Introducing a new technology frequently means having to relearn significant aspects of their jobs, including added reading and math requirements. Examples include (a) assembly line workers who go from receiving verbal orders and working solely with their hands to reading computer monitors and entering data in response; (b) forklift drivers who start using bar codes and computer readouts to keep track of inventory; and (c) meter readers who use handheld wireless devices to communicate from the field with the office.

Are internal promotions a key source of recruits for higher level jobs? If not, would the company like them to be?

- Many companies prefer to promote from within to ensure that job applicants are well versed in the procedures and culture of the organization before being given roles with significant responsibility. Yet some of the preferred “ports of entry” (i.e. entry level jobs) may pay too little to attract workers with high basic skills. In such cases a workplace basic skills program may be the key to training recruits from among the ranks of frontline workers for positions throughout the organization.

Are frontline workers responsible for working with expensive machinery?

- It can be easier to promote a workplace basic skills program within a manufacturing environment. With the push to operate 24 hours a day, 7 days a week, companies cannot afford mistakes that shut down the entire line for any significant time.

It was a major cultural shift for this company to spend this much money on hourly employees. But I had carefully recruited the union presidents, and had them behind me. And I sold it to management in terms of avoiding “bumps in the night.” This is a highly capital intensive process. If the hourly employees don't know what they are doing, they can cost the company a huge amount of money.

(Operations manager for a large manufacturing company)

- Because the number of workers needed to produce the product is much less in manufacturing than in services (for a given dollar in sales), the total expense of a workplace basic skills program (relative to total sales) for those workers should be relatively small as well.

Do frontline workers represent the company in key customer contact relationships? What about “incidental” customer contact?

- Customer service has garnered a lot of attention in recent years as companies struggle to differentiate themselves in a crowded marketplace. Yet many companies’ direct link to their customers are low skill frontline employees, whether they be cashiers, delivery people, or call center customer service representatives.
- In addition, there are many jobs that are not designed with customer contact as a key component, such as janitors and hotel room cleaning staff. Yet poor communication skills among such employees can have an indelible impression, impacting customers’ overall perception of the quality of a company’s offerings.
- A workplace basic skills program can be an integral part of a program to upgrade the quality of customer service by improving communication between a company and its customers.

How important is communication with frontline workers?

- The widespread integration of electronic communication into the everyday workflow via e-mail and company intranets has increased the need for good reading skills among frontline workers.
- Many companies have restructured to eliminate layers of middle management and devolve responsibility to frontline workers. This has included greater communication of company financials, strategy, and feedback about job design to increase workers’ understanding of the business and maximize productivity.

These disparate motivations highlight the fact that it is critically important for the workplace basic skills practitioner to be open and responsive to the needs of both the company and the workers in designing and managing the evolution of a workplace basic skills program. This includes being prepared to serve as a coach, mentor, and cheerleader for the employees, as well as a possible liaison between the employees and their supervisors and the rest of the organization. At their best, workplace basic skills programs have the potential to improve the effectiveness of employee compensation and reward systems, facilitate recognition of good performance, and increase retention and promotion of dedicated employees:

One employee could never understand her review, needed help with communication. The reviews went much better after completing the program. Others don’t understand why their take home pay changes when benefits charges go up, they get very upset. Yet another employee needed help with employment verification for housing. I help when normal channels didn’t work. (Program administrator)

Before [the program administrator came on board], this place was going to fall apart. I can always call on her. If not for her, I would not have a department. (Supervisor)

9. The decision makers

Roughly speaking, there are three different decision makers who can provide entrée into a company for a workplace basic skills program (aside from labor/union leaders):

- (a) the head of the organization (CEO/President, division chief, or site manager)
- (b) the human resources or training department (if one exists),
- (c) line/department managers.

Human resource and training executives are most inclined to support a workplace basic skills program because they more readily see a link between building frontline workers' basic skills and organizational effectiveness. However, in most cases they have to win over the CEO and/or line managers who have ultimate budgetary authority over the program. Even in cases where they have the budgetary authority to implement a program on their own, they face tough choices between spending scarce resources on workplace basic skills versus other types of training and/or benefits.

Getting the head of the organization and/or key managers to support the program may be much tougher. Those who are focused the most on the bottom line frequently are not used to thinking about investing in workers as yielding a return the way that investing in equipment or computers can. For one, it is easier to measure and contain the costs associated with capital spending with centralized decision making. In addition, new equipment often leads to marked jumps in productivity by reducing the number of employees needed to produce a given unit of output. The direct gains from a training program are typically much smaller.

The perceived tradeoff between capital and labor produces an inherent bias toward capital spending among top decision makers, particularly in manufacturing and other capital intensive industries.⁴ Yet the source of the perceived tradeoff can be used to promote workplace basic skills programs. The key is to make the case that investing in the company's employees will enable the gains from capital spending to be realized or amplified by removing key roadblocks to effectively implementing the new equipment or facilities. (See the quote above about "things going bump in the night.")

10. Is there a role for outside funding?

Not all of the company-funded programs studied for this monograph started with internal funding from the company. In some cases, having access to external grant sources was key to getting the program off the ground. Human resources and training budgets are typically very tight. For those groups, finding the \$20,000 or \$40,000 or \$70,000 (or whatever the price tag is) needed annually to pay the out of pocket costs for a program may be very difficult. External grants that cover at least part of those costs may be critical for getting a program started and developed to the point where initial successes can be demonstrated. With documented initial success, it becomes much easier to convince operations managers and/or senior management to foot the training costs out of their much bigger budgets.

⁴ Accounting rules also make it harder to depreciate human capital investments.

We started with a shoestring budget, then went for a grant to expand the program with a track record in place. We used the grant to buy the software, bring in more teachers and educators, introduce the program to many more people. (HR executive)

The grant model used at one of the sites included a structured phase-in of company financial support. In this case the grant paid for all of the out-of-pocket instructional costs (excluding release time) in the first year, 75% in the second year, 50% in the third year, etc. Such a phased-in approach may be the key to promoting more widespread, long-lasting programs: a common lament among practitioners is that support for a program frequently wanes when the external grant source ends. With the phased-in approach, the program has the hurdle of demonstrating incremental success each year – at least enough to justify each year’s additional burden to the company – but not so much so quickly that it is doomed to failure from the outset. This model is currently used in Wisconsin to promote company-funded programs.

In other cases the available external funding was counterproductive because it came with restrictions about how the money could be spent. When faced with the choice of getting a subsidy with restrictions, or fully funding and maintaining control over a program, companies may opt for the latter:

When I first focused on the problem of incumbent workers with low basic skills, the Personnel Department at the time was using a government-sponsored reading program. But it was failing miserably. We needed to address key issues before the employees would even participate: (a) privacy, (b) control over what goes on [in the program], (c) avoid the classroom environment entirely, (d) a broad based curriculum, not just a reading program. A computer based curriculum looked to be the best. (Operations manager for a large manufacturing company)

The lesson here is that the right justification has to exist to promote a workplace basic skills program. Finding a source of external funds may be a part of the justification process. But this will be so only if it is the right source of funds that allows the program to address the needs of both the company and the workers without imposing conditions that are too restrictive.

11. Strategies for achieving long-term program viability

Some adult education professionals are brought into a company to address a very specific need. Oftentimes the impetus for the program is the introduction of a new computer system, upgraded machinery, or redesigned jobs. In such cases the practitioner may have little recourse than to do the best job as quickly as possible, or risk not being allowed to do any work with the company at all. If the initial engagement is a success, then further opportunities may arise for longer term, more comprehensive interventions.

Yet those opportunities likely will not materialize without additional outreach. The adult education practitioners should view it as their responsibility to seek out ways to further market their services within the company once they have their foot in the door. This might seem a daunting task on top of trying to successfully design and implement the requested curriculum.

But it may be the only hope *any* practitioner has of engaging the company in a longer term effort to address workers' basic skills deficits.⁵

In other cases the practitioner is given sanction to address basic skills issues more broadly. However, off-the-shelf approaches to designing workplace basic skills programs rarely work because each company's culture and needs tend to be unique. There is a significant learning curve in each case, even for practitioners with years of experience in workplace basic skills. Thus the longevity of the program may depend critically on demonstrating early success.

Even in those cases where release time is included, broad support from upper management alone is not sufficient to ensure a program's survival. This may seem like a paradox to an outsider, as officially sanctioned release time is a strong indicator of support among the senior management team. Yet it is the frontline supervisors and department heads whose employees are the ones taken off their jobs to attend the program. The problem is that the costs of sending employees to the program are borne by their departments immediately, but the benefits are deferred until later when the employees' skills increase. Moreover, the benefits may accrue primarily to other departments in the company, particularly if the workers use their new skills to move into a different job. Thus significant work has to be done to win over the frontline supervisors unless there is sufficient pressure from upper management to do so and/or explicit incentives are used to encourage the supervisors to get their employees to participate.

If you impose from the top, then there will be much more resistance, push back from managers. You have to trust the whole middle management group for something like this to work. If the senior management decides what will happen, instead of involving the middle management in the design and implementation, then it will be much less successful ... There have been a lot of flavor of the month HR programs. [The senior HR manager] never intended for this to be a quick hit. We went about doing this one manager at a time, one employee at a time ... The only way to get something like this to work is to make it part of the fabric of what you are as an organization. (Senior executives of a large health care organization)

One of the strategies used to overcome this middle management obstacle in the companies I studied was careful selection of the first department to work with. The ideal department was one where the manager was willing to take a chance on the program, the probability of demonstrated success was relatively high, and there was confidence that the manager would spread the word to his/her counterparts in other departments. This was part of a carefully planned and executed strategy in at least one case.

This strategy of creating a committed and broad group of stakeholders in the program also is key for institutionalizing it so that it can survive long after the original advocates move on to other activities either inside or outside the company. This can be critical when budgets get tight. One of the main criticisms voiced by workplace basic skills practitioners is that support for a program can erode quickly:

⁵ A countervailing concern is that it is important to not set oneself up for failure by promising improvements that cannot happen with a very quick intervention.

Businesses are supposed to make a profit. They are not in the business of education. Very enlightened employers close down programs because they can't afford to run them or because their main customer disappears and they have to lay off half their workers. (David Rosen, workplace basic skills expert)

Yet despite this valid criticism, at least two of the programs I studied had weathered periods of significant turmoil in their respective companies:

We have had three CEOs since the program started, all have supported it. During that time there have been three reductions in force [layoffs], budget reductions. We were concerned that the program would be vulnerable, but it was never really on the table for discussion of elimination. (Senior executive of a large health care organization)

We got the program at the time of a major budget reduction. (Operations manager for a large manufacturing company)

Thus business pressures may endanger a program, but they do not guarantee its demise.

12. Confidentiality, release time and outsourcing

Confidentiality is the one aspect of program design that generated the most divergent views. In some cases, particularly involving union workers, it is viewed as absolutely essential to the success of the program. Without confidentiality, the concern is that workers will be unwilling to identify themselves as having a basic skills deficit for fear of job-related retribution. Of course, this is a concern in nonunion environments as well. But in the cases I studied, confidentiality seemed much more of a concern at the union establishments, probably because of a longer history of antagonistic relationships between management and labor.

In other cases, particularly involving ESL workers and release time, confidentiality is viewed as a barrier to program success. Open acknowledgement of workers' skills deficits by their supervisors allows for effective use of release time to address those deficits. For ESL workers, their lack of English skills is no secret. One program takes advantage of this to hold public graduation ceremonies that celebrate the employees' accomplishments. Doing so allows the entire organization to see the names and faces of the people helped by the program, thereby personalizing its impact and bolstering upper management support. Another company created a supervisor training program that interweaves learning English with modules on supervisory duties. This enables the development of high potential frontline employees into managers regardless of their language deficiencies.⁶

The advantage of the integrated training/learning center approach in this regard is the ability to preserve a degree of confidentiality while still offering release time. Under the integrated approach, the workplace basic skills components are just one part of a much broader curriculum. The broader curriculum can include both mandatory safety and other training required of all employees (such as understanding the company's financial statements), as well as

⁶ In this case another motivation was improved communication between managers and frontline employees. Prior to the supervisor training program, the predominantly English speaking supervisors had difficulties communicating with the predominantly Spanish speaking frontline employees.

self-help modules on time management, stress reduction, budgeting of personal finances, etc. In this case, using the learning center for basic skills help can be masqueraded as something more benign to protect the confidentiality of an employee from his/her coworkers.

Maintaining confidentiality, particularly from the employee's supervisor, is much more difficult if release time is involved. The use of release time usually implies that the curriculum is intended to improve a basic skills deficit that can be linked to job performance.⁷ The compromise reached in some of the sites I studied was partial information sharing with the supervisor: the supervisor knew the employee was working with the learning center staff on basic skills issues, but was given no further details on which skills nor the assessed level of basic skills deficits. The success of this arrangement depended critically on a high degree of trust and cooperation between the supervisors and the learning center staff. Despite the time and energy needed to establish and maintain that trust and cooperation, the programs that used this approach were very strong advocates for it, viewing it as perhaps the ideal way to tradeoff confidentiality and the use of release time.

Outsourcing of the program administration and/or instruction goes hand in hand with confidentiality. If the people who have direct contact with the employees regarding basic skills (and have access to any test scores) are employees of the company, then the workers in need of remediation may be too afraid to participate:

The people who work at the center are contract employees, not [the company's]. A number of times supervisors tried to get [program administrator] to reveal employees' info, but I helped shield her. That helped hourly employees to develop trust. (Operations manager)

This benefit of outsourcing holds regardless of whether there is complete confidentiality (employees participate on their own time) or only partial confidentiality (employees participate using release time).

As to the role of release time, apparently it is much easier to sustain a program over a long period of time when the company makes that accommodation. Those sites that didn't offer release time were more likely to report a drop off in participation after the initial flurry of activity that frequently accompanies a new program. And instead of 100 percent release time, a 50-50 split seemed much more common. This compromise seemed to strike a balance between explicit company support and encouragement of the program (through paid release time) and explicit worker commitment to the program (through "matched" off-the-clock time), providing a combination that facilitated longer-term program sustainability.

The other wrinkle that release time adds to program design is that it can have unintended positive spillover effects from the company's perspective:

If I have a discipline or attitude problem with one of my employees, then I threaten that they cannot go to [the program] if they don't reform. Then they respond. (Supervisor)

⁷ This is not to say that the employee has to demonstrate sub-par job performance in order to attend the basic skills classes. Rather, a cogent argument has to be made to the supervisor that attending the classes can (and hopefully will) improve job performance and/or career progression within the company.

13. Scheduling

Scheduling is a problem for employees at sites that are open 24 hours a day because program hours are much more limited. It is common to offer classes that would meet, say, for two hours, with the first hour overlapping the last part of the first shift and the second hour overlapping the first part of the second shift (in a 50-50 release time program). This way both first shift and second shift employees can participate. But third (graveyard) shift employees are left out. In one case the program tried offering a late night class to the third shift workers, but they were too tired to participate. As many entry level workers at a three shift site start off working the third shift (the most undesirable one), getting them to participate can be difficult, even with release time. For these employees, the only hope frequently is to wait until they have enough experience to enable a transfer to a better shift.

14. Location

Workplace basic skills programs virtually by definition happen at the workplace. There are exceptions, but locating the program on-site best facilitates easy access during the workday or immediately before/after a shift. Even so, there is wide variation in how the on-site location gets chosen. Oftentimes the first choice is not the right one:

Originally the idea was to bring the employees to [other location]. We had to bus them over there. But the logistics were awkward because they had to get back to the line quickly: half the group was on second shift and the company had allotted only one hour of release time. So for the second contract, we looked for a place on site to set up a lab. We worked in the lunchroom the next couple of years. It got very hot. It was difficult, but we got through it. Finally we got a mobile lab donated by a different company that we bring on site. (Program administrator)

Originally, upper management wanted to put the center in a corner through the front [administrative] offices. But the employees would have had to walk past all the office workers – huge stigma issue. So we lobbied to have the center located within the plant, but off to the side. Both the learning center and the training center are located next to each other in two adjoining rooms. If it were located in a different building, it would be hard to deal with traveling back and forth. We needed a computer lab for our enterprise resource project, so that was also put in next door to the learning center. (Program steering committee)

At another site the program is located in the same building as human resources and other administrative functions, away from the main building. In this case (an ESL program) confidentiality was not the determinant, it was space. But the distance between the two buildings means an extra 10 minutes walking time round trip, which significantly reduces the hour of release time devoted to instruction.

Given the cost pressures faced by most organizations, program administrators with dedicated rooms on site felt that they were among the lucky ones. As the above examples demonstrate, finding the ideal location is neither easy nor guaranteed.

15. What role should computers play?

Computer based instruction can be a critical component in promoting a workplace basic skills program for a number of reasons, many relating to cost effectiveness:

- The instructor's time can be spread over more students, yielding a more diffuse impact per dollar spent on instructor time.
- It allows for easier integration with other on-line and computer based training efforts. With all of the current hype about e-learning, this can be a critical link to make. And while "e-learning" frequently is taken to mean distance learning over the internet, in reality it really represents much broader electronic learning, i.e. via computers. Whether the software and content is located off site and accessed via the internet, or on-site on a local area network or the desktop computer's hard drive, is irrelevant. What matters from the company's perspective is that a one-time investment in computers can be leveraged to reduce the amount of dollars spent on an ongoing basis on instructor time.
- The computer lab can be left open for after-hours learning when an instructor is not available to staff the program, particularly for second and third shift employees. Yet this strategy is limited in its potential effectiveness because there has to be some amount of orientation and support provided by people, especially for computer-based instruction.

16. The curse of unmet expectations

An unfortunate reality is that even with ample program resources and support from top management, it is impossible to make employees improve their basic skills if they do not want to. One cautionary tale comes from the program (mentioned above) that tried to offer GED prep but dropped it for lack of demand from the employees.

Unless upper management is willing to back a particular curriculum, passing the curriculum is directly tied to job performance, and release time is given, then employees might not use the program. Even then with all these elements in place, the prospects for employee participation are not guaranteed. At a site that offers release time and has top management support, there is the example of the employee who works as a lettuce slicer in the kitchen. He was offered the opportunity to be part of a transition toward team-based work and job rotation in the kitchen. This would have included cross-training and skills building through their workplace basic skills program, but he refused it.⁸

Because of the need to show results as quickly as possible in a business environment, it is critically important to avoid setting up either the employees or the practitioner for failure. Thus even if a program has the capacity to offer a broad curriculum, the actual usage may need to be

⁸ The supervisors were surprised at the employee's refusal. Of course we can only speculate on his reasons for doing so. One possibility is that he may have been worried about the risk of not being able to perform the new responsibilities of the job rotation. This could have been the case if had learned the lettuce tasks by rote and thought it unlikely that he could so quickly for the other jobs.

much more narrowly focused on just a few offerings because of employee demand. In such cases the challenge to the practitioner is how to design and market the program's offerings to get maximum employee participation.

17. The relationship to lifelong learning

There is only so much that can be accomplished within the context of a workplace based program. Companies, employees and practitioners all have limited time and resources. So the curriculum has to be focused on a set of achievable goals that work for all three groups.

Yet even if this monograph is successful at promoting universal access to workplace basic skills programs, that will not be all that is needed. The complexities of adult learning and the variety of issues and life circumstances faced by individuals in our society require much more than just workplace basic skills programs. The ultimate objective should be a comprehensive system that integrates workplace basic skills with other learning options both at the work site and in the community/at home.

18. Recommendations and key challenges for basic skills practitioners, companies, and policy makers

In conclusion, here is a limited set of recommendations that derive from the discussion above and from general impressions of the issues faced when practitioners/adult educators, companies, and policy makers try to address the issues created by basic skills deficits. Please note that this section is not a substitute for the rest of the report, as many key points are not repeated here. Instead, the emphasis is on some overarching themes and implications.

Some recommendations and key challenges for basic skills practitioners

- Be prepared to be as flexible as possible in responding to a company's inquiries or initial interest in a workplace basic skills effort. You may need to settle for something scaled back as an initial engagement as a way to get your foot in the door. Showing success with that initial engagement may be as much about showing that you can work with the organization to try and address the issues about which they care, and less about showing actual learning or productivity gains from a short intervention. The latter is of course ideal. But getting just one higher-level supervisor or department head to think you are doing a good job may be all that you need to show in terms of initial success.
- Be clear about and stay focused on your ultimate objective. If you want to establish a program that can benefit the largest number of employees over the long term, you will need to be creative in finding ways to expand and maintain support internally for the program. The more internal "customers" in the company that you can please, the greater the support you will have. You may need to be a "solutions provider" who helps employees to be more productive. To be most effective in doing this, you need to be prepared to provide additional services beyond adult education (narrowly defined) either yourself or by bringing in other

professionals as subcontractors. Thinking of and portraying yourself as a training professional can be a big plus.

- Whether a company's culture is consistent with training in general may be very important vis-à-vis their receptivity and ongoing support for workplace basic skills programs.
- Selling a company on an ESL curriculum may be a good way to set up a program that serves native English speakers as well.
- Develop and take advantage of networks of practitioners with workplace education experience to share tips and war stories. The Workforce Improvement Networks in Pennsylvania and Virginia are one model.

For companies

- If you hire workers at low wages, chances are very high that a significant fraction of them have a low level of basic skills. This can serve as a barrier to communication, technology upgrading, team problem solving, and many other efforts designed to boost productivity, reduce costs, increase revenue, and boost the bottom line. A basic skills program on-site may provide an effective way to overcome that barrier, and it can be mutually beneficial for your employees and the company. In many ways it can be a natural extension of the training that frequently is provided more readily for higher-paid employees.
- It can be beneficial to integrate basic skills training with more advanced offerings. This can both aid confidentiality and spread the personnel costs of basic skills interventions across other critical training tasks (safety, certification, etc.). The latter lowers the effective delivery cost of the basic skills offerings, which can enable providing them over longer periods.
- Each state in the U.S. has a director of adult education. The director's office along with local education institutions (community/technical colleges) can help you find the instructional resources you need for a particular community. Much relevant contact information for these resources is available on the National Institute for Literacy web site (www.nifl.gov).
- Many states have workforce literacy offices situated in their labor or workforce development departments. Local workforce development or investment boards also serve as a resource. These entities may offer start-up grants and technical assistance to develop programs, as well as other supports such as tax incentives for companies who hire trade affected or welfare-reliant employees. Such workers often require basic skills assistance. Tax incentives may help defer the costs associated with basic skills instruction.
- It may be possible to get a grant to fund at least the startup costs for your program, which may be important for getting it off the ground and creating buy-in internally.
- Offering release time can be critically important to provide the environment and encouragement needed to achieve sustained program participation over the long haul. A 50-50 split, with attendance half on company time and half on the employees' own time, is a common approach that balances company support with real commitment by the employees.

For policy makers

- Grants that cover the out-of-pocket startup costs for a workplace basic skills program may be a cost effective way to promote such programs as widely as possible.

- If the grants come with too many conditions, companies are liable to refuse them. The out-of-pocket costs are only one component. The implicit costs of employees' and managers' time may be much larger.
- Explicitly targeting adult educators to be program practitioners has strengths and weaknesses. On the positive side, adult educators are attuned to the nuances and challenges of working with people who have had a difficult time succeeding within the formal education system. On the negative side, they frequently have little experience working in a business environment. More efforts to build and sustain networks of program practitioners to facilitate professional training and knowledge sharing potentially could reap large rewards in terms of more effective instructional design and delivery. This in turn should foster workplace basic skills programs that stand the test of time and the vagaries of the business environment.

19. Supplemental reading list

Beder, Hal, "The Outcomes and Impacts of Adult Literacy Education in the United States," *National Center for the Study of Adult Learning and Literacy*, NCSALL Reports #6, Harvard University Graduate School of Education, January 1999.

- A comprehensive review of the issues and difficulties involved in measuring basic skills program outcomes.

Bloom, Michael R., and Brenda Lafleur, "Turning Skills into Profits: Economic Benefits of Workplace Education Programs," *The Conference Board*, Research Report 1247-99-RR, 1999.

- A good primer on many of the potential bottom line benefits of workplace basic skills programs. See also www.workplacebasicskills.com.

Kirsch, Irwin S., Ann Jungeblut, Lynn Jenkins, and Andrew Kolstad, "Adult Literacy in America: A First Look at the Results of the National Adult Literacy Survey," *National Center for Education Statistics*, prepared by Educational Testing Service under contract with the NCES, Office of Educational Research and Improvement, U.S. Department of Education, September 1993.

- A comprehensive description and analysis of the NALS data.

Levy, Frank, and Richard Murnane, *Teaching the New Basic Skills*, Free Press, 1996.

- A detailed analysis of the basic skills needed to succeed in the labor market today with suggestions on how schools should respond.

Lynch, Lisa M., and Sandra E. Black, "Determinants of Employer-Provided Training," *Industrial and Labor Relations Review*, Volume 52, Number 1, October 1998.

- Evidence on the extent to which companies do and do not provide basic skills training relative to other kinds of training.

20. Acknowledgements

As this is more of a “how to” report than a research paper, I skipped the usual academic approach of citing every thought expressed here that did not arise solely from my fieldwork. This decision was made to facilitate use of the material by practitioners, not to promote myself at the expense of those whose ideas and time spent working with me were critical to the development of the finished product.

As a poor substitute, here I would like to both acknowledge and thank the following researchers, practitioners and adult education leaders (listed in alphabetical order) who provided key contributions along the way as the project took shape: Georganna Ahlfors, Judy Alamprese, Nickie Askov, Hal Beder, Bob Bickerton, Tina Carey, Laura Chenven, John Comings, Jennifer Cromley, Lloyd David, David Finegold, Marty Finsterbusch, Don Ford, Barbara Gibson, Marshall Goldberg, Ed Gormon, Anson Green, Tom Grinde, Andy Hartman, Janet Isserlis, Alice Johnson, Paul Jurmo, Molly Laden, Israel Mendoza, Mary Moore, Kathy Olson, Jim Parker, Kathy Polis, David Rosen, Tony Sarmiento, Mark Solomon, Olivia Steele, Dee Tadlock, Johan Uvin, and Barb Van Horn. They contributed their time and insights both generously and graciously. Without them this project never would have come to fruition.

Unfortunately, because of confidentiality reasons, I cannot openly thank the multitude of dedicated people at the work sites that I visited during the field work. They are the truly unsung heroes, striving on a daily basis to do good for both the companies and their employees.

21. Appendix: Program descriptions

In order to shed some light into the organizational context for each program studied, I here provide a brief description of some of the relevant details. Unfortunately, for confidentiality reasons, I cannot identify the companies involved nor provide details that might inadvertently do so. The “program history” and “interesting insights” sections are offered to shed some light into some of the nuances, challenges and successes that the programs have faced. They are offered for illustrative purposes and provide much of the evidence behind the arguments made in the report about how to promote privately-funded workplace basic skills programs. In some cases quotes from above are repeated here to provide more of the organizational context behind them.

Program #1

- Location: on-site at a health care organization.
- Type of basic skills curriculum: ESL; basic skills. Both computer based and classroom instruction.
- Workers served: non-native English speakers.
- Release time: yes, with supervisor approval.
- Confidentiality: no. The program celebrates successful participants’ accomplishments through public ceremonies. This helps spread the word about the program and provide ongoing support for it.

- Program history: the initial impetus came from the director of HR. They started with a shoestring budget. After showing some initial success, they applied for a government grant to expand the program. They used the grant to buy the software for the computer-based curriculum, bring in more teachers, and introduce it to many more people. When the grant expired, the program administrator and director of HR worked together to secure internal funding, thereby continuing the expansion of the program's enrollment and reach. Their joint success has enabled the program to survive three different CEOs and three rounds of layoffs and budget cuts. The program administrator is a former adult educator who has become an employee of the health care organization.
- Interesting facts and key insights:
 - “We never intended for this to be quick hit. We went about doing this one manager at a time, one employee at a time.”
 - The program is operated on a semester schedule, with classes offered twice a year, nothing in the summer. This contrasts with most of the other programs in the study, which provided services on an ongoing basis with no such large breaks in service.
 - The program received support from one CEO who related to the program's goals from personal experience. But the continued support for the program seems due primarily to consistent efforts to market the program to department heads and managers to ensure its relevance and impact to the organization. The program administrator also works as an advocate for many of the employees who participate, helping to find ways to get their supervisors to approve release time and sometimes stepping in to help when communication difficulties arise.
 - The program appears to serve as a catalyst so that workers in low-paying entry level jobs can improve their English and basic skills to qualify for better jobs in the organization. The turnover rate in these entry level jobs is very high. However, of those who had participated in the program, as of the time of this study, only one had left the organization; the rest had moved on to better jobs internally.

Program #2

- Location: on-site at a health care organization.
- Type of basic skills curriculum/courses taken: adult ed, ESL; minimal GED prep. Topic areas include communication skills, computer skills, basic math – “whatever the employee needs to get ahead.” If enough demand, then offer a class on a subject; otherwise use volunteer tutors who usually are other employees within the organization.
- Workers served: primarily non-native English speakers along with some native English speakers.
- Release time: yes.
- Confidentiality: no.
- Program history: started with a government grant in partnership with community based (nonprofit) organization. The health care organization continued the program with internal funding when the grant expired.
- Interesting facts and key insights:

- “We had to do a lot of selling [of the program] because you can’t force the managers to do something they don’t really want to.”
- The CBO that runs the program was not selected by the organization, it was selected by the grant-making agency. However, the organization was happy with the program success when the grant ended, and so kept the CBO as the program administrator when the grant expired.

Program #3

- Location: on-site at a manufacturing facility.
- Type of basic skills curriculum: adult ed and ESL. ESL was added later on.
- Workers served: both native and non-native English speakers; currently 35% ESL among program participants.
- Release time: yes; half own time, half company time.
- Confidentiality: limited. Release time has to be coordinated with the employee’s supervisor, so the supervisor knows the topic area the employee is studying. But scores on tests are kept confidential.
- Program history: The initial funding for the program came from a government grant. It originally was designed to boost the basic skills of native English speakers only, and so had no ESL component. However, over time the company has turned to hiring more and more non-native English speakers as the demographics in the local labor market have changed significantly.
- Interesting facts and key insights: Release time has been provided since inception. But a key change recently took place. Even though senior management at the site supported the release time provisions of the program from the beginning, the way release time was handled provided a disincentive to the departmental supervisors. Each department head is evaluated on the basis of net contribution to the bottom line, meaning value of product produced after labor costs are subtracted out. So there was a financial disincentive to provide release time, particularly if the courses did not immediately increase the employees’ productivity. Despite this, the program was quite successful in expanding enrollment over the years. Finally, just recently, upper management created a separate account against which the employees’ release time can be charged, thereby removing the financial disincentive for the supervisors.

Program #4

- Location: on-site at a manufacturing facility
- Type of basic skills curriculum: ESL; supervisor training
- Workers served: non-native English speakers.
- Release time: yes; half own time, half company time.
- Confidentiality: no
- Program history: frontline workforce almost exclusively speak Spanish as native language. The company wanted to cultivate new supervisors from among the ranks of the frontline workers. Started by offering English classes, which improved communication. Those who volunteered for the classes were viewed as good potential candidates for supervisor positions.

The company responded by offering a second language course for this group. The next step was the development with a local nonprofit service provider of a formal supervisor training program that combined English instruction with the rest of the training curriculum. Since the program was created, all of the new supervisors have come from it, rising from among the ranks of the frontline employees.

- Interesting facts and key insights:
 - “Employers who are reluctant to do workplace basic skills programs fear that the employees won’t continue. What if they just want to get a better job, not stay on? But that’s not the case: the employee feels both the need and desire to reciprocate through good work.”
 - “[This] is an amazing company. Yes, they say they are doing this for business reasons, but they also really care about their employees. The other half [of the challenge] is finding the right kind of educational entity because many instructors are not up for this kind of work – it’s hard. The teacher is not just a teacher, but a program developer: it involves a lot of preplanning, visiting the work site, figuring out how/whether to incorporate technology. It’s hard to find a teacher who will do all of that.”
 - “In the beginning, the older supervisors who had been there for many years wouldn’t give release time . . . The instructor has to have support from higher up because otherwise the supervisor will resist release time.”
 - “Because of the relationship with the [nonprofit service provider], a significant number of employees have decided to go on their own time for courses [beyond those offered on-site at the workplace]. Part of the language course includes computer familiarity. The courses have helped them learn the computer skills they need, which also helps them with the computer skills needed to succeed on the job.”
 - “It’s been an excellent relationship [with the nonprofit service provider] because we have helped legitimize their programs as assistance to local businesses.”
 - Turnover among entry level employees is very high when first hired. Among those taking the ESL class at some point (which is open to all employees), 60-70% are still with the company. Among those taking the supervisor training, 95% are still with the company. “Attendance of these employees is usually remarkable. We’re not positive what that tells us – are we starting off with those with better values [work ethic], skills or is it the program. For whatever reason, it is a measurement of the value of those employees versus the general population.”

Program #5

- Location: off-site at a manufacturing facility
- Type of basic skills curriculum: reading tutoring program; commercial provider.
- Workers served: predominantly native English speakers
- Release time: no
- Confidentiality: yes; the off-site location of the program maximizes confidentiality.
- Program history: adopted at two local sites based on positive reviews from other sites in the company that used the commercial provider. At one site, management and the unions decided

to implement a high performance work organization approach to getting the employees involved in boosting productivity, which “made us look at basic skills issues.”

- Interesting facts and key insights:

- “Until the 1980s, the industry had very lax entry requirements. We’ve been ratcheting up the requirements steadily in recent years. But we wanted to provide a way for senior employees to be able to build their skills to do the most sophisticated jobs.”
- “We traditionally had unskilled labor, with only 1-2 people who had to know the details of running the equipment. In the 1970s there was almost no computer control. Within the next five years [from today], almost every decision will be computer aided, if not fully computerized. Once the computers are programmed, they tend to run themselves. But a computer running at 75% efficiency is worse than one that is not working at all. A skilled machinist needs to know more than how to run a computerized control system. A whole other skill set is needed to be able to program the computer. I want more of my employees to understand the economics behind all of the work that is done: the more they can grasp, the easier for them to identify problems and get them fixed quickly ... Investing in workers is a drop in the bucket next to the potential return. I have to have employees who can relate to the machines and work with them.”
- “We’ve done what we can on the capital investment side. Now we know that we have to take advantage of the potential in our employees. Jointly [union and management] we recognize that the employees don’t have the skills needed to perform.”
- The reading program is designed to help people at all different levels, encompassing those that do not know how to read all the way through those who need some brushing up on an existing skill set. Through including both those with low levels of basic skills and those with much higher levels, the stigma issue for low-functioning individuals is minimized.

Program #6

- Location: on-site at a manufacturing facility.
- Type of basic skills curriculum: adult Ed; GED. The basic skills curriculum is integrated with multiple other offerings in the learning center which provides training for a wide range of skills and safety issues throughout the site.
- Workers served: predominantly native English speakers
- Release time: not for basic skills training; yes for company-mandated safety and other training.
- Confidentiality: yes. With much of the basic skills and other curriculum computer based, two employees can be at computer terminals sitting side-by-side, one learning basic skills, the other doing advanced training, with neither one knowing what the other is doing. Entering the physical space of the learning center is no signal that an employee has a basic skills deficit. “Not seen as a place that you go because you are dumb.”
- Program history: The site had been participating in a government-sponsored reading program “that was failing miserably. We needed to address basic skills needs before employees would even participate: (a) privacy, (b) control over what goes on, (c) avoid classroom environment entirely, (d) not just a reading program – broad based curriculum. A computer based

curriculum looked to be the best ... There are four unions [on site]. I wanted to stay away from the personnel department because that would look suspicious [to the unions]. We formed a task force that reported directly to the site manager. We wanted the program to look like a benefit; got an option so that the employees' dependents could participate; the unions decided who was eligible, what the hours of the learning center would be. To get buy-in [from the employees], we included an incentive award – a separate check that goes directly to the employee upon completion of part of the curriculum. We started emphasizing job training and the incentive awards, then brought in safety standards, which integrated the learning into the job requirements. The employee doesn't [necessarily] realize the link [from the literacy/basic skills components] back to the job. But the next time he goes in for a safety training course, he will understand more of the manual."

- Interesting facts and key insights:
 - "The employees most in need of basic skills improvement typically don't take use the learning center for that purpose." – a barrier to reaching those most in need.
 - A lot of enthusiasm, high enrollment when the program first started. But enrollment dropped significantly by the third year.
 - In order to get paid the incentive, the employee has to sign a release form waiving confidentiality. The learning center staff also tries to get the employees to release their names so that their accomplishments could be mentioned in the employee newsletter. Initially, none wanted their names published. That changed slowly over time. Eventually it got to the point where the employees would get upset if their names were *not* published. In this way the program became what the designers wanted it to be – something that would encourage and recognize employee accomplishments.

Program #7

- Location: off-site at a training center for local hotels
- Type of basic skills curriculum: ESL & adult ed closely integrated with training for specific entry-level jobs in the hotel industry
- Workers served: both native and non-native English speakers
- Release time: no
- Confidentiality: yes
- Program history: funded out of union collective bargaining agreement with local employers in the industry.
- Interesting facts and key insights:
 - The training center tried offering a GED program at one point, but there was little demand for it, so they dropped it. "We tried a GED class, but people didn't see the relationship between the class and their future. I believe it's because it was coming too early in their training, not just seeing work as a way to pay the rent right now, but the future benefit of better pay, house, car, etc. So people won't want that until they have been working, out of school for awhile. The better place is on-site at the workplace; some are doing that."
 - One of the employers that funds the training center tried offering such an on-site GED program (separate from the off-site training center). Their GED program was first offered

with no release time and had low enrollment. Adding release time later did not solve the problem of low enrollment, so they dropped the GED offering.

- A second employer that funds the training center was much more successful in getting employees to enroll in an on-site GED program (again, separate from the off-site training center).
 - “We move people quite regularly from not having a high school degree to getting a GED. We don’t care if they do it on company time or own time: whatever their departments can live with. It was designed to be on own time, but there are those who do it on company time. ESL is strictly on own time.”
 - “Traditionally, [the local employers in this industry] never trained people; usually it was just on-the-job, learn or not, get fired if you don’t. [The head of a competitor] was one of the first here to put an emphasis on training. We realize that we are behind, and are trying to catch up. It’s hard to find skilled workers, so we need to do this.”
 - “The service sector usually has had an abundant supply of employees. We can keep those with skills deficits shunted off in jobs where their deficits won’t impact operations [until recently with the tight labor market]. It is easier to make the argument for a training center in manufacturing because technology is constantly increasing the demands on workers.”

Program #8

- Location: on-site at a financial services company; part of a comprehensive learning center.
- Type of basic skills curriculum: writing most in demand; reading, business math offered, but little interest.
- Workers served: native English speakers
- Release time: yes.
- Confidentiality: no
- Program history: started with government grant, worked with local community college. When grant ended, hired trainer to replace the community college employee.
- Interesting facts and key insights:
 - The program was instituted at the same time the company made more of a concerted effort to provide on-site training to all employees, not just those with low basic skills. The learning center, of which the adult ed curriculum is one component, is the end result of the new training focus.
 - “At first there were some supervisors who were reluctant because it was left up to them. But once the ball started rolling, that loosened up quite a bit. All of the training efforts were departmentalized, in silos. Once those supervisors saw other people doing it, some of the fences were torn down. There was more reluctance from the data entry operator supervisors – similar time pressures as a manufacturing environment.”
 - “As a supervisor doing performance discussions, it is a lot easier to talk to people about improvements they need to make in certain areas when you have a learning center that offers help to them. Instead of telling them they have to go out and find the resources on their own, if you know they can get help with say, writing skills, it’s a lot easier to nudge

them along a little bit. Or if they are interested in another job/promotion – you have a place to send them.”

- “The further we get from the core skills needed to do the job, the tougher to get supervisory approval for release time.”