



# Core Skills for Business

**In a competitive business environment you need to be sure that your business is reaching its full potential. While there is no magic fix for unlocking business potential, did you know that building the language, literacy and numeracy skills of employees can have a significant impact on business operation?**

This booklet provides a starting point for tackling language, literacy and numeracy issues in the workplace, improving communication processes and building your workforce capability.

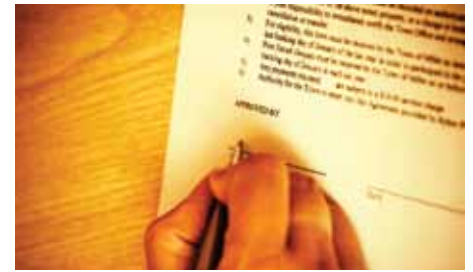
This can bring significant business benefits including:

- productivity growth
- better communication, teamwork and cooperation
- increased employee morale and willingness to develop new skills
- improved customer relations
- successful introduction of quality processes
- a safer workplace
- better compliance with workplace legislation



Australian Government  
Department of Education, Employment  
and Workplace Relations

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# How are we faring?

Language, literacy and numeracy skills equip people with the ability to communicate and problem solve in a variety of workplace and social settings. These skills are essential for work, learning and life. They provide the foundation for learning all other skills and enable people to evolve with their jobs and adapt to change.

The Australian Bureau of Statistics (ABS) surveyed around 9,000 Australians in 2006 to find out about their literacy and life skills. The Adult Literacy and Life Skills Survey measured four types of skill:

- prose literacy – the ability to read and understand written documents
- document literacy – the ability to use formatted texts like tables, forms and schedules
- numeracy – the ability to perform a variety of practical mathematical tasks
- problem solving – the ability to find a way to achieve a set goal

Survey outcomes were measured across five levels of increasing skill from level 1 to level 5. For each skill, level 3 is regarded as the minimum requirement for coping with the demands of life and work in a knowledge-based society.

**MORE THAN 7 MILLION AUSTRALIAN ADULTS DON'T HAVE THE READING SKILLS CONSIDERED NECESSARY FOR EVERYDAY LIFE**

# 46%



46 per cent of the population have prose literacy skills below level 3. In the workplace these people might have difficulty:

- reading and understanding written instructions
- communicating via email
- using training material or manuals

**NEARLY 8 MILLION AUSTRALIANS DON'T HAVE THE NUMERACY SKILLS CONSIDERED NECESSARY FOR EVERYDAY LIFE**

# 53%



53 per cent of the population have numeracy skills below level 3. In the workplace they might have difficulty:

- completing time sheets
- recording accurate measurements
- calculating correct change

# 47%



47 per cent of the population have document literacy skills below level 3. In the workplace they might have difficulty:

- filling in forms
- reading a transport timetable
- interpreting simple graphs and charts

**MORE THAN 10 MILLION AUSTRALIANS HAVE BELOW AVERAGE PROBLEM SOLVING SKILLS**

# 70%



70 per cent of the population have problem solving skills below level 3. In the workplace they might have difficulty:

- working independently
- following non-routine directions
- finding workable solutions for new challenges



## What does it mean?

The ABS survey figures show that it is quite common for adults, including those in the workforce, to have difficulty with some literacy and numeracy tasks. This can create problems in the workplace that prevent a business from reaching its full potential.

Building employees' literacy and numeracy skills can be a powerful way to improve productivity and morale. OECD research has revealed that raising a country's adult literacy by just 1 per cent leads to a rise in productivity of 2.5 per cent and a 1.5 per cent increase in GDP<sup>1</sup>.

Improving communication processes and addressing language, literacy and numeracy issues in the workplace can:

- reduce wastage and miscalculations
- avoid inconsistent or ineffective reporting
- improve customer complaints handling
- overcome a workplace culture that is resistant to change or to the development of new skills
- improve adherence to standard procedures or quality processes

Funding available through the Australian Government's Workplace English Language and Literacy (WELL) program can help to address these issues. Refer to page 7 for more information.



<sup>1</sup> Literacy scores, human capital and growth across fourteen OECD countries, Statistics Canada, 2004



# Getting started

## THINK ABOUT THE LANGUAGE, LITERACY AND NUMERACY SKILLS THAT ARE NEEDED IN YOUR WORKPLACE

Every workplace has unique language, literacy and numeracy requirements. The skills needed to work effectively in your business will not be identical to those required in any other and so employees may need help to build the skills necessary to fit in.

To tackle language, literacy and numeracy issues in your business you need to think about the specific skills needed in the workplace, your communication practices and the characteristics of your workforce. All businesses can take some simple steps to identify areas for improvement and develop solutions.

Your business probably uses in-house jargon, customised reporting procedures, established spiels for communicating with customers, templates for preparing quotes or calculating materials. What language, literacy or numeracy skills do employees need to use to complete their tasks?

You might consider:

- Do employees need to work in teams?
- Do written reports have to be completed?
- Do measurements, costings, timelines, material requirements have to be calculated?
- Do employees need to interact with customers?

## THINK ABOUT THE TOOLS AND SUPPORT THAT YOUR EMPLOYEES HAVE FOR COMPLETING LANGUAGE, LITERACY AND NUMERACY TASKS

Ask employees for feedback on workplace communication practices and documentation. You could consider instructions, safety notices, operating procedures, meeting papers, reporting templates:

- Are documents written in plain English?
- Are some documents consistently ignored or misinterpreted in the workplace?
- Do employees have suggestions for improving workplace documents?
- Do employees seem to have difficulty following some instructions or messages?
- Do employees have mechanisms for providing feedback to supervisors/management?
- Are the reporting processes logical and easy to follow?
- Do employees work together well with their co-workers?

## THINK ABOUT THE TRAINING NEEDS OF YOUR WORKFORCE

Consider the training and development preferences of your workforce. You might like to use a third person (consultant, training provider, counsellor, union representative) to ask employees for their views on training and development needs. Employee responses to these questions will not necessarily give you a training solution, but they will highlight some of the obstacles to implementing a training program.

Employees who need language, literacy or numeracy support may be reluctant to participate in formal training. They may also be unlikely to want to be singled out for special treatment. Training programs that allow all employees to build their communication or language, literacy and numeracy skills are often better accepted than targeted solutions. In considering your workforce's training needs you should think about:

- What prior education and training experiences have employees had?
- Are there vocational skills or qualifications (occupational health and safety, quality process management, use of new tools/systems) that employees could develop in tandem with language, literacy and numeracy skills?
- Are there skills that employees would like to develop?
- Do employees have preferred learning methods – from co-workers, self-study, in classroom, on the job, in small groups?



### THINK ABOUT HOW YOU COULD CHANGE WORKPLACE PRACTICES TO PROVIDE LANGUAGE, LITERACY AND NUMERACY SUPPORT FOR EMPLOYEES

Your business will function more effectively if workplace practices are designed to take account of your employees' language, literacy and numeracy skills.

- Can you simplify reporting processes or provide simpler reporting templates?
- Can you structure work teams to encourage skills transfer through mentoring arrangements?
- Can you make supervisors more aware of good communication practices?
- Can you provide all employees with simple language, literacy and numeracy tools relevant to their job, e.g. work jargon dictionary, worked examples of common calculations, recordings of best practice customer service interactions?
- Can you include the development of language, literacy and numeracy skills in existing workplace training or induction programs?
- Can you provide formal or informal training to build particular language, literacy or numeracy skills in a workplace context?



### Who needs literacy support?

The people in your workplace who need assistance with developing their literacy and numeracy skills may not be the ones you expect. The ABS survey shows that no one characteristic defines people with lower level literacy or numeracy skills. Additionally most people are not good at judging their own skill levels. The survey found that more than two million Australians who rated their English reading skills as 'excellent', in fact had literacy skills below level 3.

In general, older people have lower literacy levels than younger people – but there are "black spots". For example, a much higher proportion of 15-19 year olds have low levels of literacy compared with people aged between 20-50 years.

Differences in literacy skill levels between males and females are minimal, but more women than men have low level numeracy skills.

Recent migrants from non-English speaking countries are proportionally more likely to have lower level English literacy skills. However the difference in skill levels between recent migrants and the general population has reduced dramatically over the ten years from 1996 to 2006.

Employed people generally have higher levels of literacy and numeracy skill than those who are unemployed or not in the workforce. Canadian research<sup>2</sup> has shown that people who use their literacy skills regularly at work and at home are less likely to lose their skills over time.

People with post-school qualifications are significantly more likely to have adequate literacy skills, but at least 20 per cent of degree holders have literacy skills below level 3.

<sup>2</sup> *Gaining and losing literacy skills over the lifecourse*, Statistics Canada, 2007



# Where can I get help?

## FIND OUT ABOUT YOUR LOCAL TRAINING PROVIDERS

Training providers will vary in their approaches to working with business. You need to find one that will be responsive to your particular needs. This will involve asking questions about how they will work with you.

- Do training providers have expertise or experience in your industry area?
- Are training providers willing to customise training for your employees' language, literacy and numeracy needs and your business needs?
- Can training be provided at locations and times to suit your business and employees?
- Is specialist language, literacy and numeracy support available?

## THINGS YOU CAN DO IN PARTNERSHIP WITH A TRAINING PROVIDER

**Conduct a training needs analysis** – a training needs analysis will build on information you have already gathered about your employees and workplace requirements to determine the types of skills, including language, literacy and numeracy skills, that are needed in your business.

**Develop a training plan** – a training plan will look at the skill needs, including language, literacy and numeracy, identified in the training needs analysis in relation to your business plan to consider the type of training solution that would work for your business.

**Identify sources of funding** – you will need a training budget, but there are also sources of government funding for workplace training. For example, the WELL program assists businesses with funding for workplace training that integrates the development of language, literacy and numeracy skills.

**Implement a training program** – the training program for your business should be specifically tailored for your needs and those of your employees. It should take account of findings from the training needs analysis and training plan.

**Evaluate your success** – you should regularly compare your actual outcomes to the business goals or objectives that were included in your training plan. Your evaluation findings can help you to make ongoing improvements to your training program.

## No quick fixes – but the rewards are worth it

A Canadian study<sup>3</sup> found that literacy skill improvement requires an ongoing, long-term strategy based on the understanding that the rewards will be boundless but will not arrive before the medium to long term.

Levels of literacy and numeracy skill are directly related to people's capacity for further training and skill development. The upskilling and reskilling of the workforce will depend on our ability to ensure literacy and numeracy skill needs are addressed. Improving employee's literacy and numeracy skills expands the number of ways they can contribute in the workplace and the options they have for promotion and further skill development.



<sup>3</sup> *Profiting from literacy: creating a sustainable workplace literacy program*, Conference Board of Canada, 2005



## Find out more

**THE AUSTRALIAN GOVERNMENT'S WORKPLACE ENGLISH LANGUAGE AND LITERACY (WELL) PROGRAM PROVIDES FUNDING TO HELP EMPLOYERS RUN TRAINING THAT IS TAILOR-MADE FOR THEIR WORKPLACE**

**WELL training** integrates language, literacy and numeracy skill development with job-related workplace training. It is designed to help workers meet their current and future employment and training needs.

Employer benefits of the WELL program are:

- more effective workplace communication
- better skilled workers
- improved occupational health and safety
- increased employee involvement in training and skill development programs
- increased productivity benefits

### **WELL Program**

Telephone 133 873

[www.deewr.gov.au/well](http://www.deewr.gov.au/well)

### **LiteracyNet**

information about adult literacy and links to a range of additional programme, professional development, resource and research sites

[www.literacynet.dest.gov.au](http://www.literacynet.dest.gov.au)

### **The Reading Writing Hotline**

National adult literacy and numeracy referral service  
Telephone 1300 655 506

[www.literacyline.edu.au](http://www.literacyline.edu.au)

**Practical LLN** tips are provided at:

[www.takingthelead.com.au](http://www.takingthelead.com.au)

### **Australian Core Skills Framework (ACSF)**

The ACSF is a new tool for reporting the learning, reading, writing, oral communication and numeracy skills of Australian adults. Specialist language, literacy and numeracy trainers and assessors will be able to use the ACSF to assess an individual's core skills and compare them with profiles of the core skill requirements of a job or training program. With this information training and support programs can be developed to meet individual and workplace needs. Currently the National Reporting System (NRS) is used for this purpose. The ACSF will be available in the second half of 2008. For more information contact the Department of Education, Employment and Workplace Relations on 133 873.

## Counting the cost of poor literacy

While it is difficult to quantify the costs associated with low levels of literacy skill, some countries have made estimates. Canada has reported that literacy problems cost their employers \$4 billion (Canadian) per year and \$10 billion for the nation as a whole<sup>4</sup>. Basic skills deficiencies cost the Welsh economy more than £558 million a year. Problems include poor quality control, lost orders, bad communication and the need to recruit staff externally when poor skills amongst existing staff limit internal promotions<sup>5</sup>. The United Kingdom estimates that poor literacy skills cost British industry more than £4.8 billion per annum<sup>6</sup>.

<sup>4</sup> Canadian Business Task Force on Literacy, *Measuring the costs of illiteracy in Canada*. In: Literacy and Health: A Forum for Collaboration. Calgary, AB: Calgary Adult Literacy Awareness Project, 1998

<sup>5</sup> *Tools for the Learning Country*, Basic Skills Agency and the Institute of Welsh Affairs, 2002

<sup>6</sup> *The Cost to British Industry: Basic Skills and the Workforce*, ALBSU, 1993

# Checklist

## 1 Think about:

- the language, literacy and numeracy skills that are needed in your workplace
- the tools and support that your employees have for completing language, literacy and numeracy tasks
- the training needs of your workforce
- how you could change workplace practices to provide language, literacy and numeracy support for employees

## 2 Find out about your local training providers

## 3 Conduct a training needs analysis

## 4 Develop a training plan

## 5 Identify sources of funding

## 6 Implement a training program

## 7 Evaluate your success

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### AgriFood Skills Australia

02 6163 7200

[www.agrifoodskills.net.au](http://www.agrifoodskills.net.au)



### Community Services and Health

#### Industry Skills Council

02 9270 6600

[www.cshisc.com.au](http://www.cshisc.com.au)



### Construction and Property Services

#### Industry Skills Council

02 6253 0002

[www.cpsisc.com.au](http://www.cpsisc.com.au)



### ElectroComms and Energy Utilities Industry Skills Council Ltd (EE-Oz Training Standards)

02 6241 2155

[www.ee-oz.com.au](http://www.ee-oz.com.au)



### ForestWorks Industry Skills Council

03 9321 3500

[www.forestworks.com.au](http://www.forestworks.com.au)



### Government and Community Safety

#### Industry Skills Council

08 8410 3455

[www.governmentskills.com.au](http://www.governmentskills.com.au)



### Innovation and Business Industry Skills Council

#### (Innovation and Business Skills Australia)

03 9815 7000

[www.ibsa.org.au](http://www.ibsa.org.au)



### Manufacturing Industry Skills Council

#### (Manufacturing Skills Australia)

02 9955 5500

[www.mskills.com.au](http://www.mskills.com.au)



### SkillsDMC

#### Resources & Infrastructure Industry Skills Council

02 9299 3014

[www.skillsdmc.com.au](http://www.skillsdmc.com.au)



### Service Industries Skills Council (Service Skills Australia)

02 8243 1200

[www.serviceskills.com.au](http://www.serviceskills.com.au)



### Transport and Logistics Industry Skills Council

03 9604 7200

[www.tlisc.com.au](http://www.tlisc.com.au)