

Skill New Zealand

Workplace Literacy Fund

Interim Evaluation Report

September 2002

Future Directions

At the passing of the Tertiary Reform Bill, the functions of Skill New Zealand and the Tertiary Resourcing division of the Ministry of Education will be integrated into the new Tertiary Education Commission.

Skill New Zealand's current business activities and regional structure will continue under that identity.

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Executive summary

1. The Skill New Zealand Workplace Literacy Fund was set up in July 2001 to provide opportunities for employees to gain work related literacy skills. The fund also aimed to build the capability of workplace literacy providers. Its third objective was to raise the awareness of ITOs of workplace literacy issues and quality solutions.
2. In the first year of the fund Skill New Zealand funded eleven projects, nine involving workplace learning and two focusing on infrastructure development with ITOs. This report focuses on the projects that funded workplace learning.
3. The availability of funding was a critical factor in attracting ten different enterprises from six different industry areas to set up workplace literacy projects. There were a number of different contracting arrangements. Five contract holders were ITOs, three were employers and one was a training provider.
4. The Skill New Zealand Workplace Literacy Fund provided workplace learning opportunities for 220 learners. The learners were predominantly Māori and Pacific peoples with low levels of literacy who had little previous success with formal education. Forty percent had English as their second language.
5. The learners identified both workplace and personal objectives as reasons for wanting to participate in the learning. They wanted to achieve qualifications, update their employment skills, learn to use computers, improve their maths skills, learn to read, spell, write and speak English. They were enthusiastic about the opportunity to gain new skills, delighted with their newfound ability to learn and proud of their progress.
6. A third of the learners were well on their way to achieving 20 credits each on the National Qualifications Framework. Another third were on their way to achieving 10 credits. The rest were not working for formal unit standards but had other tangible examples of learning progress. Given that most of these learners had not succeeded in the formal school system and had not been involved in any education for many years, this is a substantial achievement.
7. The project costs ranged from \$20,000 to \$150,000 and most were jointly funded by enterprises, ITOs and Skill New Zealand. Project costs varied with learner numbers, group size, duration of learning and the intensity of the learning. As well as a cash contribution, enterprises made significant contributions in terms of forgone earnings from lost production, and of management time planning and liaising with the projects.
8. Each project was customised to address specific workplace objectives and to respond to a different workplace organisation. There were a number of ways of organising the learning: enterprise based tutor, learning centre, integrated literacy and industry training, or “literacy first”. Nearly all the projects were

characterised by a strong workplace context to the learning. This meant that the learning was tailored to meet the specific needs of that workplace and the individual learner. This approach ensured a very high level of learner motivation and increased the likelihood of the learning contributing direct returns to the enterprise.

9. Most of the literacy providers involved in these projects were relatively new to the workplace literacy sector and had limited previous experience. However most of them came from related sectors, bringing specific skills from those sectors with them. Despite the lack of formal structures for assessing provider quality, the new providers were able to demonstrate a variety of positive outcomes for learners and enterprises. Most providers had also successfully navigated the complex stakeholder relationships that characterise workplace literacy projects.
10. Managers identified a number of impacts in the workplace, although these proved difficult to quantify. Positive changes included improvements in worker confidence and morale, improved workplace communication including an increased use of English, less absenteeism, greater accuracy in completing documentation and better compliance with health and safety requirements. Managers also noted that the literacy project had contributed to developing a learning culture in the organisation. A number of learner participants had been promoted or progressed to further training opportunities.
11. ITOs were enthusiastic about the joint funding approach because they felt that literacy skills were not part of their core business and not a priority for funding from the Industry Training Fund (ITF), which subsidises industry training. However, literacy was a significant problem in a number of the participating industries and often hindered achievement of industry qualifications. The joint funding approach was critical in encouraging ITOs to set up these projects.
12. Workplace literacy is not something that can be fixed quickly and most work places were now looking at extending the project into a second year, often to include some new learners.
13. The grant money was essential to getting these projects going, along with contributions from the enterprise and industry. Workplace literacy can make an important contribution to achieving the government's goals in adult literacy and foundation skills. Enterprises were optimistic about the achievements of these projects. Learners were enthusiastic about the learning opportunities and their achievements to date. Those involved in the projects were keen to demonstrate that raising employees' literacy skills benefits individuals, enterprises, industry, and also the broader society.

Introduction

This report documents the progress made in the first year of the Skill New Zealand Workplace Literacy Fund. Skill New Zealand is required to report to ministers by June 2002 on the achievements of the fund. The analysis is based on a series of visits to projects, interviews with over sixty stakeholders and an analysis of monitoring reports provided to Skill New Zealand by the contract holders.

This report has several purposes:

- To inform ministers and officials about the initial achievements of the Workplace Literacy Fund;
- To inform other stakeholders – ITOs, enterprises, learners and providers – about how the fund has been used and what lessons can be drawn;
- To inform Skill New Zealand about ways to strengthen its support for workplace literacy.

In the first year of the fund Skill New Zealand funded eleven projects, nine involving workplace learning and two working on infrastructure development. This report focuses on the projects that funded workplace learning. Appendix 3 briefly describes the development projects.

Workplace literacy is an underdeveloped sector that has not previously attracted direct government funding for learners. Skill New Zealand had no preconceived format for the kind of project that would be eligible for this funding but sought to encourage some innovation and experimentation. The funding application sought a co-funding approach with ITOs and enterprises.

As it turned out, all of the workplace learning projects involved an external literacy provider that offered regular learning for a group of employees. There was a range of different project objectives and approaches. Skill New Zealand was flexible about who could receive funding and this resulted in some complex stakeholder relationships. Contracts were with ITOs, enterprises and providers. The contracts are summarised in Appendix 1.

This report begins with a brief overview of the state of workplace literacy funding and infrastructure, which provides a context for the decision to set up the fund. This is followed by an overview of the projects, the participating enterprises, the providers and the learners. Setting up a workplace literacy project involves considerable planning and preparation. Section 4 documents the steps taken and the key challenges faced. Then Section 5 documents how the projects were organised and the lessons learnt. Section 6 analyses the costs of workplace literacy and the role of the fund. Learning was still in progress in all but one of the projects. The educational outcomes, workplace outcomes and individual outcomes achieved to date are identified. Finally the report looks at the implications for Skill New Zealand and for the Tertiary Education Commission, once established.

This is a report on progress to date rather than a final evaluation of the projects.

1. Background

Why the Skill New Zealand Workplace Literacy Fund was established

The 1996 International Adult Literacy Survey (IALS) shows that 40 percent of people employed in New Zealand are below the minimum level of competence required for everyday life and work, and 20 percent are at the very lowest level.¹ This means that over 200,000 people in the New Zealand workforce are functioning at a very low level of literacy. The IALS survey also showed that poorer literacy skills were concentrated among Pacific peoples and other ethnic minority groups and among the Māori population. Adults with poor literacy skills will become increasingly vulnerable as the availability of low skilled jobs within our economy diminishes.

In May 2001 the Government released its adult literacy strategy, which acknowledged that *“Increasing literacy skills will be essential for the development of the knowledge society New Zealand needs for success in the 21st century”*.² And further: *“There will be no sustainable future for our growing knowledge economy without urgent action”*.³

The broad goal of the adult literacy strategy over the long-term is to help New Zealanders enjoy a level of literacy that enables them to participate fully in all aspects of life, including work, family and the community; and to have the opportunity to achieve literacy in English and Te Reo Māori.⁴ The achievement of this goal has three key elements:

1. Increasing opportunities for adult literacy learning;
2. Developing capability in the adult literacy teaching sector;
3. Improving quality to ensure that adult literacy teaching programmes and learning environments in NZ are world class.⁵

The Skill New Zealand Workplace Literacy Fund is a small part of a broad package of initiatives designed to achieve these goals. Workbase administers a similar fund for workplace literacy initiatives. Other parts of the package focus on developing an infrastructure for adult literacy provision including a quality assurance system, qualifications for adult literacy teachers and mechanisms to report on learner progress. The package also includes initiatives in family literacy, Māori literacy and linkages with other initiatives such as the literacy and numeracy strategy in schools, the ESOL strategy, the Industry Training Strategy and Adult Education and Community Learning.

1 More Than Words, The New Zealand Adult Literacy Strategy, 2001, page 27

2 More Than Words, page 3

3 More Than Words, page 20

4 More Than Words, page 3

5 More Than Words, page 6

Objectives of the Skill New Zealand Workplace Literacy Fund

The objectives of the Skill New Zealand Workplace Literacy Fund are:

1. To fund workplace literacy learning for employees which is high quality, linked to real work requirements and, where appropriate, to the National Qualifications Framework (NQF);
2. To build the capability of workplace literacy providers;
3. To raise ITOs' awareness of workplace literacy issues and quality solutions.

The rationale for these objectives

There is currently very little provision of workplace literacy training. The key barriers to expanding literacy provision are lack of funding, lack of capable literacy providers and a limited infrastructure for initial assessment, measuring progress and quality assurance. These factors are closely related. If there is no funding stream, new providers are unlikely to enter the sector; and funding is unlikely to be forthcoming if there is no infrastructure to demonstrate achievements or ensure quality.

ITOs have funded a small amount of literacy learning using the Industry Training Fund. Although precise figures are not available only about five percent of industry training achievement is at Level 1 on the National Qualifications Framework. This indicates that the 200,000 workers with very low levels of literacy are under-represented in their access to industry training. Among the reasons are the perception by ITOs that literacy is not their responsibility, the relatively high cost of addressing workplace literacy compared to other workplace skill requirements and the lack of providers and infrastructure.

Employers have also funded a small amount of literacy learning. On the whole however employers are unwilling to meet the full cost of raising employees' literacy skills. They do not see literacy as their responsibility and they argue that the benefits of raising workers' literacy skills extend well beyond the specific enterprise. Employers are likely to look for other ways to address literacy issues, such as changing their recruitment policies, modifying work organisation or technology, using reader writers or translators and various other ways of avoiding the issue.

Two major players, Workbase and Literacy Aotearoa, have dominated provision of adult literacy. Both these organisations receive direct government grants for some of their activities. Polytechnics and private training providers have participated in various initiatives but it is seldom their core business. The growth of the provider sector is hindered by poor funding and poor infrastructure.

“The adult literacy provider sector is currently poorly developed. There are a limited number of providers, insufficient professionally qualified adult literacy teachers, few appropriate teaching resources, a lack of professional development opportunities, and very few qualifications available for adult

literacy teachers. Much of the adult literacy sector is characterised by short term contracts and a lack of job security or any real career path.”⁶

The Skill New Zealand Workplace Literacy Fund sought to encourage the entry of some new providers, who were keen to innovate and meet high quality standards, and who would contribute to the development of the sector.

⁶ *More Than Words*, page 13

2. Methodology

These projects were characterised by diverse objectives and a complexity of different stakeholder relationships. Clearly whether one was a learner, a manager, an ITO or a provider leads to different perspectives on the purpose and success of the project. Rather than rely exclusively on the contract holder, the fieldwork sought the views of a variety of different stakeholders for each project.

The data collection always began with the contract holder and then expanded out to include many others: learners, managers and supervisors, providers and tutors, and ITOs. (The range of these interviews is summarised in Appendix 1.) Contract holders were also asked to provide demographic data on all participants. A series of visits was made to project sites to interview participants. When face to face interviews were not possible, some stakeholders were followed up by telephone.

This information was supplemented with information from the contract holders' quarterly progress reports to Skill New Zealand.

3. Overview of the workplace projects, enterprises, providers and learners

The projects

There were nine contracts for workplace literacy learning. Five were held by industry training organisations, which organised learning. Three contracts were directly with enterprises and in two of these the ITO, although not the contract holder, contributed to the cost of the learning. One contract was with a training provider that provided learning.

Seven projects included some ITO contribution to the learning costs. The ITOs were Forest Industries Training (two projects), Competenz, Apparel and Textile ITO, Plastics ITO, and Electricity Supply ITO (two projects).

(Two other contracts, not examined in this report, dealt with infrastructure development. See Appendix 3.)

The enterprises

Ten enterprises undertook workplace literacy projects in the first year of the fund. They came from a variety of industry sectors. Three were rural, one provincial and the other six were urban. Three were in the South Island, five were in Auckland and the remaining two were elsewhere in the North Island.

Nearly all the enterprises did some structured industry training and had established relationships with their ITO. This meant they already understood something of the funding for industry training, and were familiar with the Qualifications Framework and workplace assessment. It is perhaps not surprising that for a new fund the first to come forward were those who already had an established relationship with industry training structures.

Only two enterprises employed fewer than twenty employees. Small employers face particular problems in providing structured training (this is discussed in Section 9).

The learners

There were 220 learners participating in workplace learning. Seventy percent of these were male. Only 11 percent of the learners were under 25 years old, with the balance equally spread between 25-45 and over 45 years old.

Table 1: Age of Learners

Age	< 25	25-45	> 45
Number of learners	26	98	96

Table 2: Ethnicity of Learners

Ethnicity	Pākehā	Māori	Pacific	Asian
Number of learners	54	62	91	13

Slightly more learners were Māori (28 percent) than Pākehā (24 percent) with the majority 41 percent being from the Pacific (Samoan, Tongan and Cook Island Māori). Six percent were Asian.

Sixty percent of all learners had English as their first language. Thirty seven percent spoke a Pacific language as their first language, mostly Samoan and Tongan. Half of the Asian learners spoke an Asian language as their first language.

The majority of the learners had not attained any formal school qualifications. One employer commented that many of his workers (from the Pacific) had never attended school in the sense that we know it. A number of learners talked about not succeeding at school, leaving school early because jobs were available, disliking school, feeling that they could not learn or were “dumb.”

The learners had diverse employment backgrounds. Some had significant job related skills and experience. For example, there were skilled sewers and people with technical skills to use sophisticated machinery in sawmills, or with skills to lead teams using a range of machines and tools in manufacturing plants. Others were described as “*labourers or machinists*”.

Many employers described their learners as valued employees and a large number were very stable workers who had been at the workplace for more than five years. One employer described them as *loyal and hard working*. However another workplace that had experienced rapid growth said, “*in the last 18 months we have hired 30 people off the unemployed roll*”.

Table 3: Number of learners by enterprise size

Number of employees	> 500	100-200	20-100	< 20
Number of learners	52	52	112	4

The providers

Seven different providers were involved in delivering the learning. Workbase, The National Centre for Workplace Literacy and Language, was the provider for two of the projects. The other providers were relatively new to workplace literacy although most had some prior involvement. In many cases their core business was in a related sector, and they brought different strengths with them from their sector, eg:⁷

- Industry training sector: good understanding of industry requirements, the NQF and relating to businesses.
- Training Opportunities: good skills in teaching and relating to adults who had not previously succeeded in learning, understanding of NQF and workplace requirements.
- Community literacy: specific skills for teaching literacy to adults (connected to Literacy Aotearoa).
- ESOL: good understanding in teaching English as a second language.

To provide workplace literacy training all these skills and experiences need to be brought together.

⁷ Some providers had worked in more than one of these sectors.

4. The Planning Phase

This section documents, in approximate chronological order, the various data collection and decision making steps that projects needed to complete before a literacy project could begin.

Lead time to establishing a learning project

Many enterprises had been aware for some time that they had literacy and or language problems or both. Many had tried for some years to find a solution before commencing the Skill New Zealand projects. For example several enterprises had hired a tutor for some language work in the recent past, and several had undertaken various forms of literacy assessment or had had discussions with industry training organisations or providers.

One plant that made [widgets] employed a lot of people with English as a second language. The company recognised that improved English would help the workers both on the job and more generally. Their first step was to encourage workers to attend an ESOL class at the local night school. After six months of attending these classes the workers still could not recognise the word [widgets]. The company understood the benefits of linking the learning much more closely to the workplace requirements and this project was the result.

Some companies had first considered options that seemed more affordable and achievable than providing literacy tuition for their current workforce. A number had developed new recruitment policies that would screen out workers with low literacy skills. One manager said that he no longer hired anyone who had inadequate English skills.⁸ Others organised their work teams and team leaders around language skills. Another company used a translator at meetings.

Enterprise objectives for establishing workplace literacy projects

There was a variety of different situations that led managers to realise that they needed to do something about their employees' literacy skills. In many firms there was more than one reason for wanting to address literacy.

Desire for staff to gain qualifications or update old qualifications

- One enterprise has set national qualifications targets for the company. English was a second language for the majority of workers. Once the first learning began it became obvious that the targets could not be met without specific literacy/English language support.
- Another enterprise said its customers now demanded evidence of qualifications. They intended to differentiate themselves by having a highly qualified workforce.

⁸ Several Auckland enterprises said they had no option but to hire workers with poor literacy/language skills, as these were the only people willing to do this kind of work for the pay.

They had initially begun with a project of recognition of prior learning to update the qualifications of staff. This had faltered when it became clear that a number of workers could not read or write sufficiently to meet the standard. The literacy project was aimed at getting the workers up to a level where they could attain the new industry qualifications and use the new technologies required.

- One company had a recruitment entry standard that some of the learners had failed to achieve. They set up the project for their seasonal workers who wanted to raise their skills sufficiently to pass the standard to become permanent employees.

Workplace problems

- Errors in tallying, mistakes in recipes, unacceptable levels of product waste, high costs of having poor quality product returned.

“We needed staff to take more responsibility for quality issues. Language was the key hindrance.”

- Health and safety requirements.

“We were breaking the health and safety legislation. Our workers couldn’t read or understand the requirements.”

- Many tensions had developed from managers being unable to communicate effectively with employees.

Workplace changes

- Increasing demands and expectations from overseas customers.

“We used to make a few lines for the New Zealand market. Now we compete globally, have a much larger product range and much greater need for quality.”

- Changes in the way production is organised meant small teams and less hierarchy. To be effective in this structure, individual workers needed to be more multi-skilled and flexible and to take more individual responsibility for the quality of their work.

“Even in the last three years the industry has changed rapidly... There is far more emphasis on safety and quality. Everyone needs to fill in documentation, and it’s critical to the business that this is done accurately... There are huge compliance costs if it is not done accurately... All our workers need a current qualification; the two-year certificate that they got 15 years ago is no longer adequate.”

More general

“We are good employers... We’ve been in this community for a long time... We believe it would be helpful for the company and also for the individuals if they had better English.”

“We believe in training.”

These management objectives strongly influenced how the project was structured, the choice of provider and the extent to which the learning was integrated into other industry training. Some projects sought both enterprise and individual learner outcomes. Others focused more on the individual learner outcomes, perhaps accompanied by some credit achievement, but were less explicit about any workplace changes. This was more of a “literacy first” approach.

Planning time

Most projects required a considerable time for planning and clarifying objectives. In several cases this took six months.⁹ Providers stressed the need to ensure that management understood some of the likely challenges and were realistic about what could be achieved in the time frame.

A couple of projects faced particular challenges in enrolling enterprises to participate. They reported that enterprises were reluctant to pay for something that they did not feel was their responsibility.

Smaller enterprises faced particular challenges in finding resources. One provider described the difficulty in even getting to meet the manager/owner of small enterprises. They repeatedly made appointments and when the appointed time arrived they found the owner was either working on the shop floor because of some crisis or was off site dealing with other urgent situations. The small owner/operator who fills many roles can seldom invest the time or money required to analyse and resolve a literacy problem. Even when a contract holder was offering to do most of the work and meet most of the costs, the enrolment of small enterprises posed significant challenges.

Finding a provider

Several contract holders referred to the lack of choice of provider, the limited skills of some providers and the fact that those with a proven track record were overworked and too busy to help. In a few cases the contract holder had discussions with more than one provider before proceeding but no projects used a competitive tendering process to select a provider. Frequently there was an established relationship between the chosen provider and the enterprise or the ITO.

One contract holder had been dissatisfied with the quality of the provider so had to terminate the arrangement and begin again with another provider. Another contract holder commented that the provider was enthusiastic and passionate, but not experienced in running a business. This contract holder had supported the provider in some of the pricing required to plan the project. The contract holder felt that the provider’s commitment to providing a quality customised service compensated for some of the missing skills and all parties were delighted with the progress that learners were making.

⁹ This does not imply there was 6 months’ work in the planning. The time taken relates mostly to the need to keep getting input and agreement from different stakeholders, many of whom did not give literacy projects a high priority.

Workplace assessment

Before planning the organisation and costs of a project, most providers did some form of workplace literacy assessment, but this was one area where the provider's understanding and skills needed improvement.

The more experienced providers began by undertaking a comprehensive workplace literacy assessment. The assessment involved visiting and observing the workplace, gathering workplace documentation of all kinds and interviewing key informants. The purpose of this assessment was to identify exactly what literacy skills (reading, writing, speaking, maths and computer skills) were required to do the job effectively. The workplace assessment also looked at the communication processes, the contexts in which communication occurred and any issues related to future developments.¹⁰

One provider described how they went out in the trucks with the workers in all weathers and at all hours to observe what they actually did on the job. This learning informed the analysis of the literacy requirements and the design of the learning programme, and was also important for beginning to build a relationship between the employees and the provider.

Another provider that was new to workplace literacy invested significant time and money in hiring an experienced workplace literacy provider to train staff in workplace assessment methodology, before applying it. The provider now believed it had a new skill set that it could apply in other industries.

One provider reported that after undertaking the workplace assessment and assessing the workers it was clear that poor literacy skills were not the cause of the identified problems. The workers' literacy skills were more than adequate for the necessary tasks. Errors were occurring for reasons related to workplace organisation, clarity of roles and responsibilities and employee motivation. The provider concluded there was no need for a literacy project.

Two providers completely omitted the workplace analysis from the process. When questioned about this it seems likely that they did not understand its importance. One said:

"The enterprise was not willing to pay for the analysis, didn't think it was critical to what they wanted to achieve".

The projects that omitted this step were those that were taking a "literacy first" approach. Also, in some projects where workplace analysis was undertaken, the findings did not appear to be used to inform the learning programme.

Assessing the learner's literacy skills

All projects gave each potential learner an individual assessment of their literacy skills and individual feedback on the results. The approach and skill level to undertaking

¹⁰ For a more detailed description of this process see *Everybody's Business*, A guide for employers, Workbase, 1999.

these assessments varied. Providers that had undertaken a comprehensive workplace analysis used the data to develop a workplace specific literacy assessment, usually involving both an oral and a written component.

The individual learner assessments formed the basis of establishing individual learning programmes.

The 220 learners who participated in these projects had a range of **learning needs**. Many had not been involved in any form of education for many years.

- There were those who had English as a second language and who had minimal English skills.

One Thai man said he wanted to participate in the programme because he was “so lonely” not being able to speak English.

- There was a substantial group who, although English was not their first language, had lived in New Zealand for many years and had basic English skills. These learners wanted to improve their spoken and written English skills.
- There were some who described their reading, writing, spelling and maths skills as very basic, non-existent and they wanted to learn “*their ABCs*”.

One Pākehā man in his 40s explained that he had already achieved a number of credits towards a National Certificate using a reader writer.¹¹ He believed that he now needed to learn to read and write if he was to complete the qualification.

- Limited ability to do specific workplace tasks such as measure, read a graph or fill in a form.

“Eighty five percent couldn’t read a graph and 70 percent couldn’t fill in a holiday form” according to one plant manager.

- Others felt that their literacy skills were “rusty”.

One Pākehā man in his 40s said, “My reading is fine... I have no problem with maths... My spelling is terrible... I need to be able to write reports at work.”

Initial worker reactions to the learning project

Many employers expressed surprise at the positive response from employees to the learning opportunity. They had expected that learners with low literacy levels would be reluctant to come forward. Other projects did experience a slow start to enrolling learners but once the project was established, many had waiting lists of other employees wanting access to the learning.

¹¹ A “reader writer” is used to assess industry knowledge when the trainee has inadequate reading and writing skills but has the technical knowledge to achieve recognition. The learner dictates responses to the writer, who records them.

Some projects identified a need to carefully market and position the learning opportunity to attract learners. Most projects described the project as “workplace communication”, or “workplace English”, but several were quite explicit in describing it as an opportunity to improve reading, writing, spelling and arithmetic or to prepare learners for enrolling in industry training.

Initially some learners mentioned that they felt a little ashamed or embarrassed about coming forward because of their low skill levels. They were encouraged when they discovered that they were not alone and that other people with whom they worked had similar levels of skill.

5. Project organisation

Once the workplace analysis has taken place and workers' assessments are analysed the stakeholders can agree on the project objectives. Only then can a customised learning solution be developed and priced.

Each of these projects had customised a solution which met the needs (and budget) of the particular stakeholders. (Individual project organisation is described in more detail in Appendix 2.) Some examples:

Enterprise-based tutor: One project used an enterprise-based tutor who was on site most of the week teaching small groups and individuals. The learning integrated literacy skills with industry skills. This approach strengthens the links between the learning and the workplace requirements. The tutor became known within the organisation and often played an additional role in nurturing learning across the organisation. The enterprise-based tutor can make a contribution to other communication issues within the enterprise, such as the clarity of documentation, meeting practices, supervisor communication skills, etc.

On-site learning centre: The enterprise provided the physical space on site, the provider equipped it with computer terminals, learning materials and one full time and one part time tutor. Learners booked individual and group lessons through the week, some attending up to three times a week. Learning focused on literacy and computer skills with some unit standard assessment.

Integrated industry training and literacy training: Several projects had one or two tutors who came on site for a part of the week and delivered integrated industry training and literacy training. Often the unit standard or other topic of industry training provided the context for strengthening literacy skills.

Literacy first: One or more tutors came on site for part of the week but worked only with literacy learners on workplace literacy tasks. Some of these projects used unit standard assessment; others focused specifically on preparing learners for other forms of in-house assessment. In most cases the learning was linked to the literacy required in the workplace but the strength of the link varied.

The workers who had access to the learning

Participation in learning was always voluntary. Different projects used different approaches to selecting participants depending on the project objectives.

Approaches included:

- In one workplace everyone was doing the learning.
- Putting information on the notice board and asking for volunteers.

"We put out another flyer referring to 'computer aided' learning. That created a lot of interest. They want to be able to work with their children and grandchildren. They can see computers are the way of the future.

- One provider did a presentation with management to all the workers. The manager described the learning as a win/win for the company and the learners. The company would get increased skills and qualifications and the workers would keep up with a changing workplace and enhance their employability.
- Another provider assessed everyone doing particular jobs. Workers identified as needing to improve their skills were invited to participate.

Number of learners in each project

Table 4: Total learner numbers in each project

> 50	41-50	31-40	21-30	11-20	0-10
1	1	2	0	3	3

What learners wanted to achieve

Learners were asked why they wanted to participate in the project. Most were very clear about their expectations.

Many gave work-related reasons:

- Gain an up-to-date industry qualification or undertake preparatory work necessary to acquire specific workplace qualifications or to pass the aptitude test;
- Gain an associated pay rise;
- Improve English so they can do their job better, understand written instructions, and fill in documentation themselves instead of relying on someone else;
- Learn to use the computer for its workplace and general use;
- Improve their reading, spelling and writing so they can keep up with changing workplace requirements such as filling in incident reports or using computers;
- Gain increased job security because they have better skills;
- Remove the need to rely on workmates to translate supervisor instructions;
- Get a better job, or a promotion. Several had a particular role in the organisation in mind.

Many also had more personal motivations:

- Improve their reading and writing or spelling because it's something they value. Often these workers had spent many years feeling they were a failure and could not learn. One woman in her forties explained:

"I don't know what it is. You know I am quite an able person, I can do a good job, I have a family and I can do lots of things. But for some reason I can't understand, I just can't read."

- So they can help their children including reading to them, helping with homework, encouraging them in their own education;
- Improve reading and spelling as a preparatory step to some other form of study, eg learn Māori, go to polytechnic to retrain, get updated qualifications;
- To be able to speak English;
- One grandmother who is responsible for her mokopuna says she is doing it for them;
- Many said they participated in the learning because it was fun.

How much learning is required

During the contracting process, Skill New Zealand encouraged applicants to recognise that literacy skills cannot be effectively acquired with just a few hours' learning.¹² Most projects initially applied for six or twelve months' learning with one or two hours per week per learner. One project specified its duration, "*as long as it takes for all participants to acquire ten credits*".

One provider explained that in her experience it often took six months to really get going: first the learner needs to regain some confidence in their ability to learn and in the relationship with the tutor. Initially progress is slow and focuses on individual gains, particularly in their learning confidence. After about six months progress begins to accelerate and changes in workplace behaviour become more rapid.

Towards the end of the first year many projects were beginning to apply for further funding to continue the learning beyond the initial six or twelve months.

Workplace context

All of the projects had a workplace context to the learning programme but it was more explicit in some. This workplace context meant that most of the learning materials and learning tasks were specifically developed for the requirements of that workplace. Even the "literacy first" projects had a strong workplace focus to the learning. Only one project seemed to be looking at generic skills without a workplace focus.¹³

The rationale for a strong workplace link is that learners can identify an immediate "need to know", and this strengthens motivation. Learning skills that can be applied immediately in the workplace offers opportunities to practise and reinforce the learning, thus increasing the likelihood that the learning will be retained and even transferred to other situations. Ensuring a strong workplace context can also be expected to strengthen the return to the company from the investment.

¹² "While it is not possible to determine the number of hours of learning required for an adult learner to reach a particular level of literacy, experienced providers suggest that from their experience a minimum of 100 hours of learning is needed to make a 'significant and lasting improvement' in adult literacy." *More than Words*, page 9

¹³ An example of learning without a workplace focus would be working towards a unit standard in meeting procedure in a workplace where employees were never required to attend meetings.

Not all stakeholders were of one view about this contextualised approach.

One manager said he felt it was “nonsense” to begin by teaching people who had virtually no English the workplace specific words. In his view they first needed to gain basic English skills.

One learner complained that her tutor had worked with workplace documents and forms as a means of teaching her to read. She said she didn't “*even know her ABCs or her vowels*” and she was adamant that that was where her learning should begin. She had stopped attending this class but resumed when a change of tutor was organised.

Group lessons or individual

Most projects had a combination of individual and small group (two to six) learning. Many projects gave the learners the choice of working individually or in a group. One project had larger classes of eight to ten.

Several learners expressed initial misgivings about being in a group; they said they felt ashamed about their low level of skill and preferred to work individually. Several said they were surprised to find colleagues also had limited literacy skills:

“I have been working alongside him for years, I never realised...”

However once the relationships were established, learners were particularly enthusiastic about working in a small group, saying they helped each other, learnt from each other and that this made it more fun.

A few learners felt that group work held them up. Matching learner levels was an issue raised by a number of tutors. Working in groups is more cost effective but depending on the nature of the work organisation it was not always possible to withdraw several workers from the same area of work.

Scheduling the learning

Two projects scheduled the learning entirely in the workers' own time. The other projects scheduled the learning either in company time or in a combination of both. There were a number of variations here depending on characteristics of worksite, budget and project objectives (see Appendix 2 for further examples). Most projects also expected the learners to complete homework assignments. Several provided an opportunity for learners to do additional self-paced practice on computers.

One plant that worked shifts paid workers additional time to come back in for their lessons.

One night shift worker comes back for his lesson at 8am on a Tuesday morning. Then he goes back home to bed.

Whether the learning was in workers' time or company time, there were situations where workers had been working for many hours before arriving for their lesson and this sometimes meant they were too tired to participate fully. Both arrangements for scheduling the learning led to periodic absences, as workers were too tired.

Release time

Learning that was scheduled through the working day posed its own problems. Work demands fluctuated, other workers were absent, there were rush jobs, breakdowns, and overtime requests, which all had to be juggled around the learning. Some workers felt uncomfortable relying on workmates to cover for them.

One worker said he felt so bad about letting his colleagues cover for him he had rescheduled his learning to be in his own time.

In workplaces where lots of employees were learning it was easier to establish a culture of helping each other out. Having supervisors and team leaders who were also learners was helpful too. Management commitment to facilitate release time was critical, as was a flexible approach from the tutor.

Attendance and retention

International research on adult literacy frequently debates the problems associated with learner retention and attendance. However, dropouts in these projects were limited to those people who had left the workplace or changed jobs so they could no longer attend. In fact, many of the learners interviewed asked the interviewer to extend the learning project.

Learners' willingness to attend, even in their own time, and to complete homework activities in their own time, testify to the relevance of the learning, the quality of the relationship with the tutor and the employees' motivation.

The only project that reported an ongoing issue with attendance was the one without a workplace link to the generic learning.

The manager reported that the employees complained they didn't see why they needed to do the learning, they wanted to just focus on learning workplace skills.

This enterprise also faced attendance challenges because employees earned group production bonuses and attendance at learning reduced the bonus for the whole group.

Using computers

"Computer literacy needs to be considered as a critical part of any workplace communication skills development strategy."¹⁴

Many learners needed, or were shortly going to need, computer skills for their jobs. There is a high level of motivation for acquiring computer skills; one project used these as a key to attracting learners to the project. At least two thirds of the projects had a computer skill component as part of the learning. This included teaching introductory computer skills, using the computer for report writing and publishing work and using CDs or internet-based learning packages that supported some self-paced learning to supplement the individual tuition.

¹⁴ *Everybody's Business*, page 20

Tutors

All stakeholders recognised the importance of hiring the right tutor for the task and identified some of the requirements. Tutors needed:

- Skills to relate to adult learners in a respectful and culturally appropriate way;
- Specific skills for teaching literacy to adults;
- An understanding of the particular industry;
- A willingness to be part of the workplace culture and to be very flexible in scheduling teaching;
- An ability to liaise with other stakeholders and keep everyone informed.

The tutors had a wide range of professional backgrounds: several were trained teachers, others had qualifications in teaching adults, or teaching ESOL, most had also attended the Workbase literacy training seminars and a number had completed the Literacy Aotearoa tutor training modules. Many had significant experience in teaching adults on Training Opportunities or as community tutors. Several also had significant employment history in the industry. One who was new to the industry was simultaneously acquiring her own industry qualification while teaching literacy.

Most tutors were paid for some non-teaching time to prepare materials and assessments and for record keeping. Several providers had well-developed systems for tutor professional support as well as ongoing coaching and support to prepare learning resources.

Reporting processes

One of the factors that differentiates workplace literacy from literacy in an education setting is the number of stakeholders that need to be kept informed.

There were a number of stories of upsets and problems arising from inadequate reporting structures. One employer felt they had made a mistake by setting the tutor up in a place that was too isolated from the rest of the management team, so they had changed this. Another tutor lost her job because the manager felt she had failed to keep the enterprise adequately informed about the learning progress.

The key reporting structures that most projects had established were:

- Regular feedback to learners on their progress;
- Tutor reporting regularly to training provider, at least weekly. This included opportunities for professional support, access to appropriate resources, review of learner progress and learning plans;
- Tutor reporting regularly to workplace contact such as a key supervisor (sometimes this was an HR person), also at least weekly. This facilitated discussion on attendance, scheduling learning, any workplace issues;

One tutor commented that she was at the workplace all the time. Supervisors chatted about workplace incidents and she was able to use these incidents as teaching points in her class.

- Tutor, training provider, contract holder, employer, ITO, sometimes union, key supervisors, sometimes learner representative, meeting every four to eight weeks to review progress on the project.

Management support

Some projects were initiated by management's desire to address a workplace problem. In other cases the industry or provider invited an enterprise to participate in a project. In these cases it is likely that management's ownership of the problem and commitment to solving it was weaker. Often this was reflected in a smaller enterprise investment in the project costs. The benefits of strong management support were evident. They included:

- a commitment to ensure regular release time;

"We would shut down a machine rather than cancel learning."
- taking an active and encouraging interest in learner progress;

One enterprise that changed top management during the project commented:

*"There was a significant level of support and approval from Head Office management for the programme. Learners were often asked about their progress and learning activities... Under a different manager ... this commitment wasn't so apparent. Learners became aware of this and it had a negative impact on the attitude of some."*¹⁵
- a willingness to implement other related organisational changes;

"We have changed the way we talk to them."

"The learners have rewritten the standard operating procedures."
- An active commitment to liaison processes that led to strong integration of learning with workplace issues.

Strong management support influenced the outcomes of these projects. Companies that put forward their own cash are likely to take more ownership of the learning processes and do whatever is necessary to ensure that the project achieves cost effective outcomes. Those with less investment were more inclined to leave the project to prove itself.

¹⁵ Report to Skill New Zealand

6. Project Costs

Skill New Zealand committed \$323,000 to the workplace learning projects. The actual grant size varied from \$8,000 to \$90,000. The proportion of the total cost varied depending on how many stakeholders were contributing.

TTOs contributed a total of \$146,000 to seven projects, ranging from 17 to 40 percent of the total cost of the project.

None of the learners contributed cash to the learning project. However many learners gave their own time to the learning, including doing homework.

Employers contributed a total of \$116,000. In projects with an employer contribution this was 25-35 percent of total costs. In addition there were considerable indirect costs to employers:

- Release time for learning. Sometimes this included paying for someone to stand in, and sometimes paying the learner to work additional time;
- When replacements were not used there was the cost of forgone production while learning took place. This often far exceeded the hourly wage;
- Providing a learning environment, sometimes with computers and stationery (which were sometimes supplied by the provider);
- Management time to develop, oversee and liaise with the project. The extent of this varied from minimal to very extensive;
- Often employers also paid NZQA hook-on and assessment costs.

Total costs and cost per learner

The total costs for each project ranged from \$20,000 to \$150,000. Project costs varied with learner numbers, group size, project duration, provider experience and the intensity of the learning. The cost per learner, averaged out for a year of learning (one hour a week, individual or small group), ranged from \$2,500 to \$4,000.¹⁶

Obviously there are some economies of scale with larger learner numbers. Some prices included the workplace and learner assessment while others costed these separately. Some providers were recipients of government grants towards the running costs of the literacy organisation. These organisations had a management structure, premises, computers, learning resources and a tutor training system which were funded by direct government grant. Their pricing therefore might not reflect the true costs of service.

This price variation is not surprising given the variation in project objectives and the different intensity of learning. However, because of the underdeveloped state of the workplace literacy provider market, stakeholders were not able to make informed

¹⁶ This is an estimate. Several projects included modules of varying lengths and different combinations of learners spanning two financial years.

choices about how much they should expect to pay. Over time more choices between quality providers, more objective measures of programme quality and better measures of learner outcomes will help purchasers to make more informed decisions about price.

The role of the grant money

Access to grant money was important to getting these projects going. First it galvanised people into taking action now, sometimes about a problem they had been aware of for several years. The availability of some funding encouraged them to make a plan and get on with implementing it. Perhaps more importantly, the grant money made it affordable to take some action. Most managers said it was essential to the establishment of the project. A few said that they would have done some literacy training anyway, but the grant money enabled them to include more learners and make faster progress.

Workplace literacy problems are not going to be solved with a few small projects over the next few years. A significant number of workers need to raise their literacy skills and keep up with changing literacy requirements at work. The responsibility for this learning does not rest with industry alone.

The co-funding model used here shared the costs two – and sometimes three – ways. Employers who put up their own cash contribution, and forgo production time while employees learn, will make sure that they get tangible and relevant outcomes in return. ITOs will also be looking to meet their learning outcomes from any contributions to workplace literacy. While involving different stakeholders increases the complexity of projects, it also makes an important contribution to ensuring that projects achieve cost effective quality outcomes.

7. Project outcomes

The majority of managers and learners were very enthusiastic about the achievements of the learning projects. Learners were buzzing with enthusiasm and many asked the interviewer to take a request back to Skill New Zealand to extend the duration of the programme or to increase the frequency of the learning.

Evidence of educational outcomes and achievement of unit standard credits

These 220 learners had very limited previous educational achievement. They were proud of and very motivated by their achievement of formal unit standards. This achievement gave them confidence in their ability to learn and recognition for their skills, and it contributed to improving their employability.

Over a third of the learners had a training agreement and were working towards at least 20 credits on the National Qualifications Framework. As a group they had already achieved well over 1500 credits and all 85 of them were expected to achieve their target 20 credits in twelve months' learning. Some of them would exceed the 20 credits.¹⁷

Another third had individual training plans with an average achievement goal of ten credits each. Many had already had some successful assessments and all expected to achieve their ten credits within the twelve months.

The third group was not involved in any Framework assessment. In these projects the enterprise was looking for other education outcomes: improved English, preparation to pass the in-house aptitude test, preparation to pass an in-house qualification, preparation to move on to industry training at a later date. These projects reported that a number of project participants had been successfully assessed for the in-house qualification and aptitude test since the projects began. Both the learners and the enterprises were delighted with this outcome.

Progress in improving literacy skills

There are no established mechanisms for documenting progress on acquiring literacy skills.¹⁸ Achievement of unit standards can be used as a proxy but unit standards are not intended to measure the acquisition of literacy skills. Much of the learning that had taken place was far broader than that reflected in the acquisition of unit standards. (See discussion below on improved confidence and communication.)

¹⁷ The range of unit standards obviously depends on the industry but there was some learning that was common to many projects. This included health and safety, filling in forms, using whole numbers, introduction to computers, working in teams, reading for practical purposes, participate in groups, use decimals and percentages to solve problems, write an incident report.

¹⁸ One of the infrastructure investments currently in train is the development of a reporting system to document learners' progress in acquiring literacy skills.

Workplace changes: return on investment

Some projects were just getting started and not yet able to demonstrate much impact in the workplace. Those projects that did have workplace objectives found that the impact was difficult to quantify. Even the firms that had good measures of accidents, output or attendance found it difficult to identify project participants in their data. Furthermore, it is often impossible to isolate the impact of the learning from numerous other ongoing environmental changes. Measures to assess employees' changes in attitude are also fraught with difficulty.

Most projects had not attempted formal workplace measures but instead relied on anecdotal comment and observation to assess whether the learning was achieving its workplace objectives.

One manager stressed the need to be patient. Immediate returns to the company would not be the only measure of project success.

“Investing in people is like buying a new machine. We will get a return on the investment. There will be a payback.”

Improved levels of confidence

The most frequently mentioned effect of the learning projects was an improvement in worker confidence, which arose as a result of increased competence.

“The confidence comes from increased competence. The two go together, increased competence is the key to confidence.” (Manager)

Increased confidence was reflected in the way workers did their job, asked questions, showed initiative, participated in teams. Improved confidence influences many things such as morale, attendance, productivity, communications and quality, etc.

Identification of potential in workers

An unexpected side effect of several projects was the identification of leadership potential in workers who had hitherto been overlooked. One project reported that one participant had been signed up to a Modern Apprenticeship, and several others had been promoted to team leaders. Several other projects had identified new candidates for team leaders.

“All our key staff are learners from the programme. These internal promotions have lifted morale in the workplace, and obviously the company has benefited from savings in recruitment costs.”¹⁹

Improved workplace communication

“Workers are willing to say they don't understand, instead of just nodding.”

Another manager described his weekly team leaders' meeting. One learner habitually sat quietly and answered questions in monosyllables, always agreeing. Over the course of the learning, the manager had noticed how the learner's confidence had increased and he became more and more willing and able to engage constructively in

¹⁹ Report to Skill New Zealand

the team meeting discussion. Recently he had even strung the manager along with a joke about not achieving his production targets.

“Ability of all learners to communicate has definitely changed. It used to be a grunt and now it is a conversation ... Staff meetings are now a two way communication.”²⁰

“Staff attendance has also improved, which has a significant impact on productivity.”

“Several learners commented that they were able to speak up at a union meeting, something they had not done before.”²¹

“I have noticed, when documents are filled in, instead of just a tick or a cross there are now comments.”

Improved health and safety compliance

“The stats for accidents and lost time injuries are significantly lower, we now have very few injuries. There is a greater understanding of what to do/what not to do. We have put up signs and now learners follow procedures.”²²

Another enterprise:

“We were certainly in breach of health and safety requirements... The learners have rewritten the health and safety guidelines in simple English... We have changed the way we communicate changes, we no longer assume everyone will read and understand the notices.”

Increased worker versatility

Workers become more multi-skilled and able to stand in for one another in different tasks.

One woman described how she now helped in data entry and stock control as well as operating her machine. She also substituted for the team leader if he was unavailable.

Developing a learning culture at work and beyond

Participating in the learning programme had given many learners a renewed confidence in their ability to learn and a taste for learning that they were pursuing beyond the workplace.

One provider, in response to learner demand, was in the process of establishing a night class in computer skills.

One learner said, “When I have finished ... I am going to learn Māori, then I want to learn Japanese.”

A number talked about going on to gain other qualifications, to attend polytechnic, to make a career change.

²⁰ Report to Skill New Zealand

²¹ Report to Skill New Zealand

²² Report to Skill New Zealand

Impacts beyond the workplace

Learners were extremely positive about the learning experience and encouraged to discover that they had an ability to learn. The improvements in confidence, communication and willingness to learn will have an effect beyond the workplace.

Numerous learners mentioned that they could now help their children with their homework.

One father said his skills were now equal to those of his daughter [aged 9] and that soon he would be overtaking her.

A manager reported that one of his workers had told him with great pride how she had now applied for a mortgage and bought a house, because she now understood the documentation and implications.

"If I get a bank statement, I know what they are talking about now."

One learner recently described an incident to the tutor to show how much his language skill had improved. He reported proudly,

"Yesterday I went for my New Zealand passport. When we had to fill out the forms my wife didn't know what to do, my son wasn't happy, but I knew what to put."²³

A number of learners sat their driver's licence test and no longer needed to drive illegally.²⁴

Others commented that they regretted not persevering with schooling themselves and were determined to ensure that their children did not make the same mistakes.

"One learner, who used to be a gang member, told me he is now making his kids do their homework."

One manager summed it up: "This is a triple bottom line... There needs to be a bit of idealism in here. It's logic that investment of this kind will lead to career opportunities...social benefits, wider community benefits and we must abide by the law with regard to health and safety."

²³ Report to Skill New Zealand

²⁴ Report to Skill New Zealand

8. The ITO perspective

There were five ITOs involved in contract managing or co-funding these projects: Forest Industries Training, Plastics ITO, Competenz, Apparel and Textiles ITO and Electricity Supply ITO. They represent industries that have significant literacy problems. These ITOs had nearly all had some previous involvement in literacy issues for their industry. Most of them had taken part in earlier projects with Skill New Zealand and Workbase, such as Learning in Small Companies and Literacy in Industry.

The three ITOs that were contract holders for workplace literacy projects saw this as an opportunity to provide a service to their employers. It was also an opportunity to be involved in a pilot workplace literacy project that would inform subsequent developments in their industry. Having their ITO as the contract holder offered employers a number of benefits. Not every employer has the time and interest to understand the requirements for setting up a literacy project. The ITO can act as the facilitator and use its expertise in setting objectives, selecting providers, contracting and overseeing. This saved employers considerable management time and made use of the ITOs' expert knowledge.

ITOs felt that co-funding arrangements with Skill New Zealand, ITOs and employers were a good option for workplace literacy. They argued that they would be unlikely to fund workplace literacy entirely from the Industry Training Fund (ITF). The amount of funding available to industry from the ITF was limited and workplace literacy was not a priority.

ITO respondents also raised the problems associated with a very limited choice of workplace literacy providers. This led to delays in getting responses and problems in assuring quality. They also raised concerns about the limited tools for learner assessment and lack of infrastructure to measure learner progress.

Many ITOs are aware that they will need to make significant future investments in developing an industry-specific infrastructure for workplace literacy, but once again they mentioned lack of resources. One said co-funding this project had used its total literacy budget for the year.

"We haven't talked to other companies because there isn't any more money. If there was, I know many others would be interested."

Finally, ITOs were enthusiastic about the achievements of these projects. The success of the initial projects had led them to seek further grants to establish similar learning projects in other enterprises in the forthcoming year.

(See also Appendix 3 for discussion of ITO development projects.)

9. Implications for Skill New Zealand/ Tertiary Education Commission

The application and approval procedure

A strength of the Workplace Literacy Fund was Skill New Zealand's flexibility in considering proposals. There was a willingness to approve projects with various contract holders and different combinations of stakeholder contribution, rather than a one-size-fits-all approach. There were several successful projects that did not include contributions from all stakeholders and would probably have been unable to raise these.

The risk with this approach is that projects without full stakeholder support might be unable to achieve high quality outcomes. There is also a risk that some stakeholders, particularly ITOs, can use this fluid approach to reduce the level of subsidy they would otherwise give towards training. In other words, they might use the fund to subsidise training they might have paid for themselves.

Developing learning proposals

This investigation shows that setting up a workplace literacy project takes considerable time. Stakeholders need to find a suitable provider, undertake workplace analysis, assess workers, and develop objectives and an organisational structure. Until this development work is complete, it is difficult to estimate the learner numbers, time required and costs of learning.

Many of these projects had been through several evolutions between the contract approval and the fieldwork visit for this report. (Several contracts had to be completely revised.) As more information was gathered and more discussion occurred, more realistic objectives and learner numbers emerged.

The risk to Skill New Zealand/Tertiary Education Commission is that the initial contract is not strongly related to the actual final investment in terms of dollars spent, learner numbers or outcomes.

Furthermore, many organisations that have a commitment to address literacy issues do not know enough about the scope of the problem or about possible solutions. The present approach relies on such organisations being able to formulate a fully developed learning proposal at the application stage.

Building provider capability

The availability of new funding naturally attracted new providers into workplace literacy. Skill New Zealand was willing to fund projects that used new and unproven providers (including providers that were neither NZQA registered nor accredited). Careful contract negotiations, setting clear objectives and identifying specific project

outcomes together with quarterly reporting requirements, reduced the risks associated with this approach.

Providers were asked where they went for professional support. Nearly all of them knew about Workbase and several had used its library during the project.²⁵ On the whole providers demonstrated an ability to be self critical, to reflect on what they learnt from the process and to identify ways to improve and strengthen their performance. However those with limited experience did not always realise what they didn't know. For example, some providers did not appreciate the benefits of integrating literacy learning with other training or organisational goals.

A successful workplace literacy project involves a number of complexities: the need to balance individual learner needs with the needs of the enterprise; the need to understand literacy acquisition; teaching adults; the particular workplace and the industry; the various stakeholder requirements; the Qualifications Framework; various assessment processes; and numerous cultural issues. Given these complexities, even the inexperienced providers in these projects have demonstrated creditable performance.

However Skill New Zealand/Tertiary Education Commission should be looking to ensure providers strive for continuous improvement and progress towards best practice. There is clearly scope for improving provider capability by offering more guidance.

Managing the risks

One option for managing these risks would be to tighten funding criteria. This would include specifying price ranges and proportions of stakeholder contributions, and requiring workplace assessments, provider accreditation and unit standard outcomes. It might be an appropriate response if the workplace literacy sector had a well-developed infrastructure for defining quality and measuring outcomes. This is clearly not the state of the workplace literacy sector in 2002, where this approach could be expected to limit growth, stifle innovation and discourage experimentation.

The preferred option would be for Skill New Zealand/Tertiary Education Commission to provide much more leadership and support for workplace literacy projects. This would include:

- A clear statement as to what the fund is designed to achieve, supported by accessible information about best practice and quality;
- A willingness to fund the development part of a project without the need to first develop a proposal for a learning solution;
- A willingness to fund workplace assessments as a preliminary to possible learning projects;

²⁵ A large number of project tutors had also participated in Workbase's tutor training.

- Ongoing support for new providers which is separate from the contract monitoring function.²⁶ Feedback to new providers would contribute to their skill development. This would reduce the likelihood of countless new providers making the same mistakes. It would reduce the costs of projects falling over and hasten new provider progress towards reaching a quality standard, when it is available.

Small enterprises

Small enterprises face unique problems in providing learning for their employees. Without some additional government assistance they will not engage in co-funding workplace literacy; they can either ignore the problems (and their profitability will suffer) or they can replace their employees with those who have the literacy skills. The Learning in Small Companies pilot project funded by Skill New Zealand and undertaken by Workbase in 1999 provides a workable model for helping workers in small enterprises to gain literacy skills.

Skill New Zealand/Tertiary Education Commission could give consideration to building on the Learning in Small Companies model and offering specific assistance to smaller enterprises. It might entail contracting one or more brokers to set up and manage the learning in small companies. This is a similar model to Modern Apprenticeships and Gateway.

²⁶ Only one of these projects received ongoing support from Skill New Zealand regional staff.

10. Conclusion

In its first year the Skill New Zealand workplace literacy fund provided workplace learning opportunities for 220 learners. Those who accessed the learning were predominantly Māori and Pacific peoples with low levels of literacy who had little previous success with formal education. Learners were enthusiastic about the opportunity to gain new skills and about their progress to date.

The availability of funding was a critical factor in attracting ten different enterprises from six different industry areas to set up workplace literacy projects. Some projects were just getting started and not yet able to demonstrate much workplace impact. Projects that had been in operation for longer were delighted with the educational achievements of learners and with the workplace changes observed.²⁷

Most of the literacy providers had limited workplace experience but brought with them a number of skills from related sectors. Even the less experienced providers demonstrated an ability to tailor solutions to individual enterprises and to contextualise the learning to each workplace. There were many different approaches to organising the learning, including the enterprise-based tutor, the on-site learning centre, “literacy first” leading to industry training, the integrated literacy with industry skills approach, and English for the workplace. Providers had developed extensive reporting systems to keep all the stakeholders involved and informed.

Despite the lack of a formal workplace literacy infrastructure, these projects were able to demonstrate significant achievements including Framework credits, learner success in acquiring in-house qualifications and a high level of learner motivation and commitment, indicating that learning opportunities were relevant and culturally appropriate.

Learners took their new skills back to their families and into their communities. They talked of sharing their homework with their families and of changed attitudes towards their children’s education.

Projects also identified a number of impacts in the workplace, although these proved difficult to quantify. Managers cited improvements in worker confidence and morale, improved workplace communication including an increased use of English, less absenteeism, greater accuracy in completing documentation and better compliance with health and safety requirements. They also noted that the workplace literacy project had contributed to developing a learning culture in the organisation. Furthermore a number of learner participants had been promoted or progressed to further training opportunities.

This investigation identified a number of ways in which Skill New Zealand could strengthen the achievements of the workplace literacy fund. More leadership and a

²⁷ There was a strong “feel good” factor in this first year of learning. It would be useful to go back in eighteen months and see whether the enthusiasm was sustained and whether the final outcomes were considered a good return on the investment.

support service for new workplace literacy providers would increase the speed with which they can move towards reaching quality standards, without hindering the scope for innovation and experimentation.

Workplace literacy is not something that can be fixed quickly and most workplaces were looking at extending the project into a second year, often to include some new learners.

Raising workers' literacy skills at work provides a cost-effective alternative to providing learning opportunities in an education setting. These projects demonstrate that this approach delivers a high degree of learner motivation and learning benefits that extend well beyond the individual enterprise.

Since this fund was established in July 2001 the Government has released its Tertiary Education Strategy 2002/07. The strategy acknowledges the importance of foundation skills:

“Strategy Three states that improving foundation skills (literacy, numeracy and other basic skills) will ensure that more New Zealanders are able to participate effectively in the economic and social benefits of our vision for national development.”²⁸

This investigation shows that co-funding of learning for employees can make an important contribution to the Government's achievement of this objective. Enterprises were optimistic about the achievements of the projects. Learners were enthusiastic about the learning opportunities and their achievements to date. Those involved in the projects were keen to demonstrate that raising employees' literacy skills benefits individuals, enterprises, industry, and also the broader society.

²⁸ *Tertiary Education Strategy 2002/07*, Page 16

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Appendices

Appendix 1

Contract Holders

1. Forest Industries Training (two projects)
2. Apparel and Textile ITO
3. Viscount Plastics, with a funding contribution from Plastics ITO
4. Heinz-Wattie Limited, with a funding contribution by Competenz
5. Kumfs Shoes
6. Electricity Supply ITO (two projects)
7. Tokomairiro High School (learning in two enterprises)
8. Seafood ITO development project
9. Agriculture ITO development project

Fieldwork

Table 5: Fieldwork summary

	Interviews	Telephone interview
Contract holders (these usually also held other roles)	8	2
Learners	20	
Management/supervisors	8	1
Training and HR spokespeople	5	1
ITOs	6	4
Tutors	10	
Providers	8	1

The interviews

The interviews used a qualitative open-ended approach rather than a structured questionnaire. Most stakeholders were asked to describe what had happened from their initial involvement through to the present. This discussion was supported by a series of prompts (different for each role) to ensure all issues were covered. This approach allowed each respondent to identify key issues that were relevant to their point of view. Given the diversity of organisational approaches and stakeholder relationships reflected in these projects, this approach was more appropriate than a predetermined list of questions.

Appendix 2

Customised responses

Every project evolved its own structure in response to diverse employer, learner and stakeholder requirements. Some examples:

1. *Workplace literacy not integrated with industry training*

The enterprise is a manufacturing plant with largely ESOL workers and no experience in formal industry training. The contract holder is the employer but day-to-day management of the project is delegated to an external HR consultant. The provider/tutor is an experienced ESOL teacher. Eighteen learners come in small groups once or twice a week. Part of the learning is in company time and part in learners' own time. Further opportunity is available to work on computers in own time. There is no ITO involvement or Framework assessment, and learning is strongly contextualised to workplace requirements.

2. *Literacy skills fully integrated with industry training*

The ITO is the contract holder, and the company is a new one in a recently deregulated industry. Plans for rapid expansion and introduction of new technologies mean workers need to update their skills and qualifications. Workers come to lessons in their own time at the end of the shift, individually and in small groups. They are well on their way to each attaining 20 Framework credits.

3. *The on-site learning centre*

The large provincial manufacturing plant is the contract holder and the ITO contributes cash to the project. The plant does extensive other formal training. The project has established an on-site learning centre equipped with computers and a full time tutor with part time assistance. Learners attend in their own time, before or after their shifts, in small groups or individually. Some come as often as three times a week. Each learner has an individual learning programme with varying amounts of formal credit assessment according to individual needs. A number of learners have already passed the company's aptitude test and been taken on to permanent staff.

4. *The literacy first approach*

The ITO is the contract holder. The employees work off-site in small teams. Learning is centred on the central depot at the beginning and end of the working day (a combination of company and own time). Special transport arrangements are in place to get learners back to the depot for their lessons. There are over 40 learners working once a week individually or in small groups. To schedule all this learning at either end of the day, the provider has many tutors coming on-site. During the project the company restructured, and tutors helped individuals with applying for jobs and preparing for interviews. A number of learners have already succeeded in passing the new industry standard (not on the Framework).

5. *Literacy skills fully integrated with industry training*

The employer is the contract holder and the ITO contributes cash. A medium manufacturing plant, every employee (34 learners) is learning, mostly in small groups. Learning is fully integrated with industry qualifications, using a provider with industry and literacy expertise. A firmly established learning culture in the organisation helps achieve release time. Learners are highly motivated and have been promised a pay increase on completion of learning. Learning is in company time and everyone also does homework. This project is producing a very high level of credit achievement.

6. *The literacy first approach*

The contract holder is a Māori training provider in a rural area. Learners come from two small enterprises nearby. The learning is scheduled at the beginning of the day but in paid time. The provider's premises provide a quieter and more private learning environment than a small workplace. The tutor has a strong background in and links with the industry.

7. *The literacy first approach*

The ITO is the contract holder. The project had to be scaled back when it proved difficult to get other employers to make the financial and time commitment. The medium-sized enterprise in a rural area prefers to hire local residents, as they are more stable employees than newcomers. Most of the learners are Māori. The tutor is also a local Māori and provides two hours' learning per week for each of the ten learners. Initially learners were slow to come forward for the learning opportunity but now there is a growing waiting list. One employee has taken on the role of "learning champion" and plays a key role in encouraging learning, facilitating release and liaising between those involved.

8. *Enterprise based tutor/integrated industry and literacy skills*

The enterprise-based tutor is on site most of the week with 37 learners coming for individual and small group lessons. Learners are nearly all Pacific people with English as a second language. The project has established significant workplace objectives as well as individual learning objectives. The project has achieved an average credit achievement of 21 credits per learner in twelve months. The ITO is the contract holder but the enterprise also makes a significant contribution to the costs.

Appendix 3

The Development Projects

The two development projects focused on developing industry-specific tools and resources that will directly contribute to the ITO's capability to address workplace literacy.

1. Develop an assessment tool

The industry sector was facing significant changes, including technological changes, and had major recruitment and retention problems. There were a number of issues with trainees in this sector, including a high rate of non-completion of qualifications and very mobile workers. It seemed likely that poor levels of literacy were one of the contributing factors to the dropout rate. There had been numerous indications from field staff that industry trainees had literacy problems but there were no data on the size and scope of the problem.

The project developed a tool for assessing the literacy of trainees in this sector, which would help the industry understand the size and scope of literacy problems among industry trainees. The project included raising the skills of a number of ITO field staff so they could carry out and interpret these assessments. Applying the tool to a random sample of fifty trainees would inform the ITO about the nature of the literacy problems.

The ITO used the grant to develop the tool. The development task included assessment of a sample of workplaces to understand exactly what kinds of literacy skills were required to do the job. The draft assessment tool was discussed with a number of field staff and then modified and trialled on some learners.

By the end of the project the ITO will have a number of outputs:

- An assessment tool tailored to the literacy requirements of this industry sector. Assessment activities involve real tasks that occur in workplaces in the sector;
- Field staff trained to apply and interpret the assessment tool;
- Results from the assessment of 50 trainees that will give an indication of the size and scope of literacy problems among this type of trainee. This information will inform the development of a strategy.

The ITO will need to resolve a number of unique challenges to developing a literacy strategy for the trainees. Trainees are isolated on individual farms and there are issues with the role of the farmer/employer. Many of the learners are very young yet they are required to work very long hours including weekends. They are very mobile employees and there is a very high dropout rate from learning.

The tool will assist in establishing the size and scope of the literacy issues. The next challenge will be to develop a strategy to take into account these logistical challenges and raise trainees' literacy skills.

2. Prepare learning resources

This industry receives frequent anecdotal evidence that its workers have literacy problems. Changes in work requirements mean there is now a lot more form filling and more systems for checking quality. Jobs are becoming much more 'high-tech' and require higher levels of literacy. Without literacy skills there is very limited capacity for individuals to advance in the industry.

Some examples of literacy issues in the industry are:

An enterprise wants to promote a Tongan worker. He cannot advance until his English improves.

Another enterprise believed its workers were Samoan. When this was investigated one production line was found to have five different nationalities represented.

"We asked the operators how to fill in the form. They said they put a tick in this box and a cross in that box. This was regardless of the data."

The industry has also established a workplace literacy pilot (separate from this project) which highlighted problems with their existing learning resources. The resources were too wordy and not well suited to learners with limited literacy or English as a second language. The project entailed rewriting two key learning resources to make them more accessible to learners with low levels of literacy.

The ITO used the fund to rewrite and publish the revised learning resources for two of its industry training unit standards. All of the essential industry information is still included but resources are better laid out, better illustrated and written in simple English. The new resources will be reviewed by a workplace literacy expert and trialled on a group of learners. Once they are finalised they will be published on the ITO web site and available to all. The ITO expects that many of its 2324 trainees will make use of the new resources.

This process has raised the ITO's awareness of many literacy issues in the industry and the need for substantial further development work to fully integrate literacy skills into their industry training.

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