

# Foreword

British businesses employ some of the most highly skilled people in the world. But we also lag behind many of our competitors in terms of the basic literacy and numeracy skills of our workforce. Up to 3.5 million adults in work in England have poor levels of literacy and numeracy. Business pays the cost of this in reduced productivity – for companies employing a 1000 people or more, it has been estimated that poor basic skills cost £500,000 per year. But society more widely also loses out, with poor basic skills contributing to profound social disadvantage and exclusion.

The Government has committed £1.5 billion over three years to ensure that basic skills training is available free of charge, to all employers, whether in the public, private or voluntary sectors. This training will be both of a high quality and orientated to meet employer and employee needs: it will be available where and when it is needed and can be integrated with other job-specific training. This will enable both individuals and businesses to realise quickly the direct benefit. This Toolkit for Employers has been produced to help you access this help. This will, in turn, make your workforce more productive and your business more competitive. Independent evidence suggests that the effect of training on productivity is around twice as great as it is on wages.

This Toolkit is one in a series and is aimed particularly at larger businesses that have their own human resource function. Material for smaller organisations will be launched soon. We hope this Toolkit will help you develop the potential of your employees, so that they, you and your business can all benefit by unlocking reserves of talent and competitiveness that lie as yet untapped within the workforce.



Rt. Hon Estelle Morris MP  
Secretary of State for Education and Skills



Rt. Hon Patricia Hewitt MP  
Secretary of State for Trade and Industry

## Message from Digby Jones

The poor levels of literacy and numeracy of adults in the UK are an absolute disgrace. One in five adults do not have the literacy levels expected of an 11 year-old and over 3 million of them are in work. Good basic skills are needed every day at work – even for the simplest tasks such as recording telephone messages and numbers.

Many businesses do not realise that some of their employees may have problems with literacy and numeracy. People often hide it. But poor basic skills matter. They can lead to resistance to change, poor communication within the company or with customers or high rate of wastage.

Many companies are already taking action, working with their employees to help them improve their basic skills. The Government must improve the education system but we can all do our bit to help address the failures of the past. We need to address this problem if we are to improve the UK's productivity performance.



Digby Jones  
Director-General  
CBI

## Message from John Monks

The Government's Skills for Life initiative has been warmly welcomed by trade unions. It is opening up life chances for employees. It is also helping employers to raise the productivity of their organisations.

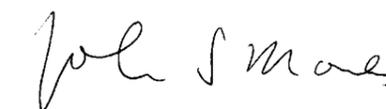
Hundreds of thousands of workers have just been waiting for the right support to improve their literacy and numeracy skills and their life chances. Their time has now come.

Unions have a pivotal role to play. They have training union learning representatives to help their fellow workers into basic skills programmes. Such representatives command the unique trust of their fellow workers and can give them the confidence and assistance to take up these opportunities. Many employers are supporting such learning representatives in this crucial work.

There are lots of inspiring stories to motivate unions to carry out this trail-blazing work. Take Tommy Dawkins. As a union learning representative, he attended a union and employer backed course to help him with his reading and writing. The result was that he got his first promotion after 27 years with the same company.

Fifteen years ago Basharat Mahmood was a skilled engineer in Pakistan but felt unable to pursue this career in the UK because of his poor English. He became a bus driver. Both his union and employer encouraged him to go on an ESOL course. Basharat then took an engineering course with the company. He no longer drives buses. He now repairs them.

These are just two examples. There are thousands more. This Employer Toolkit can help unions and employers work together to tackle literacy and numeracy problems at the workplace. It can help give employees the basic right to basic skills.



John Monks  
General Secretary  
Trades Union Congress

# ❖ Literacy and numeracy skills, the facts you need to know



## Fact

23% of people of working age are likely to have 'very poor' literacy skills and/or 'very poor' numeracy skills. 47% of these are in work.

Adult Literacy in Britain, ONS

This means that there are over 3 million adults with very poor skills employed in organisations like yours.

## Fact

Our productivity gap with Germany is 11% and differences in skills account for 25% of our labour productivity gap. More importantly, we have too high a proportion of low skilled workers, 57% as compared to 20% in Germany<sup>1</sup>.

## Fact

Poor literacy could be costing business and government £10 billion per year.<sup>2</sup>

## Fact

Feedback from employers in a TUC feasibility study overwhelmingly centres on the need for employees to have good spoken and written skills.<sup>3</sup>

## Fact

Changing occupational structures are likely to intensify the demand for more generic skills, including literacy and numeracy skills.<sup>4</sup>

## Fact

You can get FREE training for literacy and numeracy for your employees.

### Sources

<sup>1</sup>National Institute of Economic and Social Research;

<sup>2</sup>Ernst and Young report, quoted by David Blunkett in 1997;

<sup>3</sup>TUC/Ufi Feasibility Study, 2001;

<sup>4</sup>Institute for Employment Studies.

# ❖ Literacy and numeracy skills, counting the cost



### Poor literacy and numeracy skills cost you money

- If you are a company employing 51-100 employees, poor literacy and numeracy skills could be costing you **£86,000 per year**.
- If your organisation employs 1,000 or more employees, then the cost of poor literacy and numeracy skills could be as high as **£500,000 per year**.  
The Cost to Industry, BSA

### Good literacy and numeracy skills mean greater efficiency

- Improving basic skills in the workforce may mean lower wastage rates, increased staff flexibility, meeting production targets and overall increased efficiency.

Ford Engineering, Tyne and Wear, experienced a 30% reduction in rejects and a 15% increase in output as a result of literacy and numeracy skills support for production workers.

### Better literacy and numeracy skills mean greater staff motivation

- Staff training improves motivation – staff with poor literacy and numeracy skills have traditionally not been able to access training effectively.

“Confidence is the key benefit from this training. Staff who are trained are more confident dealing with the public and with management – they are able to take on more responsibilities.”

Basic Skills are Union Business, 2000, Basic Skills Agency

### Better literacy and numeracy skills mean better service

- Improved oral communication skills lead to better telephone and reception skills and better customer relations.

A public service organisation raised customer satisfaction levels by 10% following a literacy and numeracy skills course.

### Better literacy and numeracy skills mean higher quality

- Staff with good literacy and numeracy skills are more able to follow quality guidelines and produce quality products.

Thurrock Borough Council’s Direct Works Services raised targets to meet national quality standards from 60% to 65% overnight, as a result of literacy and numeracy skills support for workers.

# What's the bottom line?

Poor skills cost businesses money and profits – perhaps up to £10 billion per year.  
Does your organisation have problems with any of these issues?



What's the problem?	This could be because of	Poor Reading	Poor Writing	Poor Speaking and listening	Poor Number
Poor productivity		●	●	●	●
Administration errors with customer orders			●		●
Increased wastage rates		●			●
Poor customer relations				●	
Incorrect production of orders		●		●	
Increased machine downtime		●			
Inefficient production or provision of services		●	●	●	●
Increased staff turnover		●	●	●	●
Difficulties in introducing new working methods		●	●	●	●
External recruitment instead of internal promotion		●	●	●	●

### CASE STUDY

A food packing company in the Midlands discovered it was losing 3 tonnes of product per week. Careful monitoring revealed that this wasn't caused by large scale pilfering, but by poor number skills.

Workers on the packing lines were required to pack 25kg boxes with smaller packets, of varying weights, to a 5% tolerance level. As the boxes came close to the 25kg limit, workers had to perform rapid calculations in order to estimate whether they needed 'light' or 'heavy' packets to fill the box to the tolerance level.

They knew that they had to work within the 5% tolerance level, or the product would not get through quality checks. But, they usually exceeded the 25kg limit, and gave away an extra 5% of the product with every box leaving the factory – costing the company thousands of pounds per year.

A short intensive maths course – covering addition, subtraction and metric measurement – ensured that workers had the skills they needed to work more efficiently. The high levels of skills in this plant ensured that it remained open when the parent company underwent rationalisation a few months later.

# ❖ What do we mean by Skills for Life, or literacy and numeracy skills?



We mean the ability to:

- read
- write
- speak and listen
- use mathematics at the level necessary to function and progress in work and in society in general.

In his foreword to a report on adult skills, published in December 2001, Tony Blair, the Prime Minister, highlights the radically different strategy for Skills that the report puts forward with a proposal for,

“a much more demand-led system, in which the demands of employers and employees determine the development of provision... But this must be a partnership. To achieve the vision of a prosperous and inclusive Britain will involve... hundreds of thousands of businesses putting skills at the heart of their strategies for growth.”

In Demand, Adult skills in the 21st century, Performance and Innovation Unit, December 2001

These skills are essential for all employees if your business is to be efficient and profitable.

“Higher skills contribute to higher productivity.”  
“A skilled workforce is more innovative and better able to adapt to the demands of a changing economy.”

**Key Points**

- You have the opportunity to shape the demand for training in your organisation
- By improving the skills of employees, you can help increase the country's prosperity and growth
- Through improving the skills of your workforce, you and your organisation can respond more quickly to innovation and change.

# ❖ National Occupational Standards of Work and literacy and numeracy

## **Research on the Occupational Standards has found that:**

### **Health and Safety**

- Only employees at undergraduate level can read and understand much of the Health and Safety information in use in the workplace.

### **Work instructions**

- Work instructions often contain technical and technological vocabulary and are rarely simple to read.

### **Quality guidelines**

- Quality guidelines often require high level reading techniques and high levels of numeracy skills.

### **Customer care**

- In work that requires employees to have direct contact with members of the public, there is a need for high levels of speaking and listening skills.

# ❖ So I'm convinced – what next?

The case for doing something is overwhelming. **The Employers' Toolkit to Improve Literacy and Numeracy at Work** will provide your Human Resources and training staff with the tools they need to make progress.

However, the following critical success factors need to be in place to ensure that your company benefits from investment in literacy and numeracy training for staff.

## **Critical Success Factors**

- Get expert help – if you have not already received the Toolkit to Improve Literacy and Numeracy at Work or would like another copy please call telephone number: 080 800 763 763
- Management, employee and union commitment
- Support from professional organisations such as NTOs/Sector Skills Councils
- Literacy and numeracy are part of companies' strategies company liP, quality procedures, health and safety and equal opportunities policies
- Easy access to **free** literacy and numeracy training

# Where to next?

You can get the **Toolkit** for your company by contacting the Adult Basic Skills Strategy Unit. This **Toolkit** is intended for use by your Human Resources, Personnel or training staff and will provide the tools required to take a whole-company approach to meet the skills challenge.

- A Route Map to lead staff through the Toolkit and the process
- A presentation for Board members or other management and supervisory staff. This will have everything they need to raise awareness and get staff on board
- Tools for identifying literacy and numeracy needs, tools for planning provision, tools for evaluating progress
- Information about literacy and numeracy standards
- Books and materials for your employees to use
- A video about literacy and numeracy in the workplace

## Useful contacts

The Adult Basic Skills Strategy Unit  
[www.readwriteplus.gov.uk/workplace/employer-toolkit](http://www.readwriteplus.gov.uk/workplace/employer-toolkit)  
Caxton House  
6-9 Tothill Street  
London  
SW1H 9NA  
Contact the Strategy Unit for information on what the government is doing to help improve literacy and numeracy skills

The Basic Skills Agency  
[www.basic-skills.co.uk](http://www.basic-skills.co.uk)  
For information and publications about workplace literacy and numeracy and the Brokerage Scheme

The National Training Organisation National Council  
[london@nto-nc.org](mailto:london@nto-nc.org)  
For information about National Occupational Standards and literacy and numeracy initiatives

TUC Learning Services  
[www.tuc.org.uk](http://www.tuc.org.uk)  
For information about the Union Learning Fund, Union Learning Representatives and literacy and numeracy initiatives

Ufi/learndirect  
[www.ufi.com](http://www.ufi.com)  
Information about learndirect centres and literacy and numeracy products available to workers

The National Learning and Skills Council  
[www.lsc.gov.uk](http://www.lsc.gov.uk)  
For information about support and funding available to companies and organisations from 47 local Learning and Skills Councils (LLSCs)

Don't get by **get on**

## Employer Toolkit to improve literacy and numeracy at work



A message for Chief Executives, Managing Directors and Senior Management

Why literacy and numeracy skills are your business – your role in the partnership to achieve prosperity and growth

You can download this document from our website at:  
[www.dfes.gov.uk/readwriteplus/employer-toolkit](http://www.dfes.gov.uk/readwriteplus/employer-toolkit)

Alternatively, copies of Employers Toolkit can be obtained by calling tel: 080 800 763 763

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