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Skills and Employment

# Office of Literacy and Essential Skills

## Insights

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## Exploring Employers' Perspectives

Literacy and Essential Skills (LES) are the foundation for learning all other skills. They help Canadians evolve with their jobs and adapt to workplace change. Given the importance of LES to the workplace, employers' perceptions of workplace training are important in the creation of efficient and effective workplace training initiatives that will improve the LES of low-skilled workers.

Despite general recognition of the importance of training to the success of their business, many challenges remain for employers trying to implement workplace training. This is especially true for workplace LES training. An examination of employer perceptions of LES identified several causes for concern in this area. Employers often did not share a common understanding of LES, focusing instead on job-specific skills. Furthermore, higher-skilled employees still receive the majority of workplace training. While employers recognize the benefits of workplace training for productivity and client relations, only a small percentage invest in LES training due to perceived barriers such as time, cost, and a lack of awareness and capacity.

### In this issue:

In this inaugural issue of *Insights*, we focus on employer perceptions of workplace LES training. There is a lot of information available on this topic, but *Insights* aims to consolidate this information through themed issues. We chose to begin this exploration by focusing on the employer perspective as the starting point for considering other aspects of workplace LES.

### What is *Insights*?

As a Centre of Expertise, the Office of Literacy and Essential Skills (OLES) is committed to supporting its partners in our collective efforts to help Canadians have the essential skills that they need to succeed in our society. One of the ways we provide this support is through the sharing of research and information. *Insights* will be one of the ways that we hope to share this information.

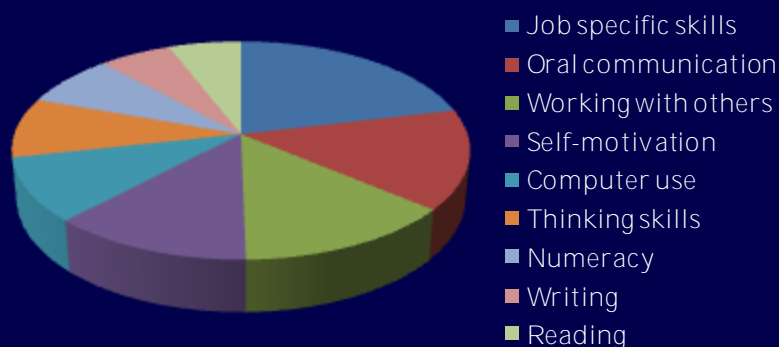
# Understanding of Essential Skills

Only 1/6 of employers understood essential skills as defined by the Government of Canada

The nine essential skills are: reading text, document use, numeracy, writing, oral communication, working with others, continuous learning, thinking, and computer use. However, when employers were asked to define workplace essential skills training, responses varied (the top answers are shown in Figure 1). The most common definition of essential ski-

lls is job-specific. This understanding has major impacts on workplace training. LES workplace training only accounts for approximately 2-4% of what is already considered limited workplace training. When employees are receiving training, **employers generally provide it “on the job” than through any other method.**<sup>1</sup>

Figure 1: What employers identify as “Essential Skills”

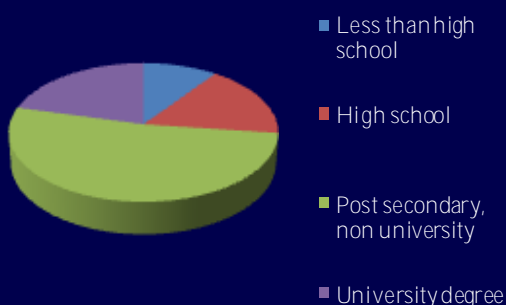


## Employees with high level skills receive the most workplace training

Managers, professionals, and white-collar workers account for over 50% of employer-sponsored training recipients<sup>2</sup>

Participation in job-related education or training increased in all provinces between 2002 and 2008.<sup>2</sup> However, participation did not increase equally amongst all groups. According to the 2005 Workplace and Employee Survey, workers who were low wage, less educated or non-union workers received less employer-sponsored training relative to all workers.<sup>2</sup> Conversely, workers with post-secondary (both non-university and university degrees) comprise about 75% of all employer-sponsored training recipients (see Figure 2).

Figure 2: Workplace training recipients by educational level



## Did you know?

What does Level 3 mean? And why does OLES mostly focus on Level 2 learners?

- We often hear of the “Level 3” threshold as the point of reference for acceptable LES competency. In fact, this statement makes reference to the minimum level of competency identified by the International Adult Literacy and Life Skills Survey (IALSS) for individuals to **function in today’s knowledge intensive workforce.**
- Level 3 is used only in reference to three specific skills as measured by the IALSS study: numeracy, document use and prose literacy. To consult the specific abilities associated with reaching Level 3 in either of the three skills, please see page 17 of the [IALSS report](#).
- There are several reasons for focusing on Level 2 learners. Over 80% of Canadians with low literacy performs at Level 2, or just below the Level 3 threshold. This population is largely employed and could see huge benefit—for themselves and their employers—with relatively modest ES upgrading.

## Current OLES Research Initiatives

We are investing in several research projects whose results we are eager to share over the coming months. The goals of some of these projects are to:

- develop a better understanding of the link between official language oral proficiency and LES proficiency in foreign-born adult Canadians;
- improve the numeracy measurement framework underlying the development of the Essential Skills Research Project (ESRP) to better align with national and international numeracy scales and frameworks; and
- study the ES required of workers whose duties are increasingly being transformed by the adoption and application of digital technologies across all sectors of the economy.

## Employer Perceptions of Workplace LES Training

When surveyed, employers noted many benefits and barriers to investing in workplace training.<sup>1,2</sup> As noted in Figure 3, productivity, sales, and customer relations are the top reasons that employers invest in workplace training.

Figure 3: Benefits of Workplace LES Training



Despite recognition of the benefits of workplace LES training, only 11% of employers reported in 2007 that they will likely provide training to employees in the next 12 months.<sup>1</sup> The largest barriers for employer investing in ES training are: time, funds, and lack of awareness and capacity.

Time is a major issue for small and medium enterprises. Firms find it difficult to send employees for training because they cannot afford to replace them, thus becoming short-handed and possibly suffering a loss in productivity. Larger firms tend not to have this issue, as they have a larger employee base to cover the shifts of those who are training.

There are two main funding-related reasons why employers are hesitant to invest in ES training:

- the costs of skilled training experts and training delivery are high; and
- the perception that the return on training investment would not be sufficient or quick enough considering the costs of the interventions.

A related challenge is a lack of awareness and capacity. Although employers recognize the importance of training, there is a lack of understanding about ES and related benefits. Many firms also report that they do not have the necessary in-house expertise. They do not know what kind of ES training would be helpful, the different options available, and they cannot deliver the training themselves.

## Summary

- There remains a lack of understanding about ES and related benefits.
- Higher skilled workers still receive the majority of workplace-sponsored training.
- Employers feel they are not informed enough to know how to address this seemingly abstract issue, and they lack the required knowledge, skills, and tools to do so.
- The smaller the business, the bigger the challenge appears to be.
- A large proportion of employers need guidance and assistance to be able to address and overcome ES shortages, and to truly benefit from training investments.

## REFERENCES

1. EKOS Canada. 2007. “Essential Skills in Canadian Workplaces”.
2. Cook et al. 2009. “Barriers to Training Access.” *Statistics Canada Perspectives* Cat. No. 75-00-X

## Workplace Implications

The research shows that although employers have a general understanding of the benefits of LES upgrading, they perceive a variety of barriers that prevents them from investing in this workplace training. This reluctance to invest in LES training has wide-ranging implications. Foremost among these is a growing number of employers who are facing skilled labour shortages. As a result, employers often need to hire under-qualified workers in order to fill their labour needs, but subsequently suffer from potential productivity loss among other consequences.

With the prevalence of employers hiring under-qualified workers, effective LES initiatives are necessary to aid employers to provide on the job training that supports their employees in developing the skills needed to fill skilled labour gaps and improve productivity. However, these initiatives should also take into account the barriers that employers perceive as limiting their ability to implement these training initiatives.

In order to enable employers to move past perceived barriers and invest in LES training, initiatives focusing on the workplace should take into account employer perspectives and offer concrete evidence of the returns on investment and benefits of LES training. The focus on employer perceptions of workplace LES training is therefore invaluable for formulating effective initiatives targeted at improving the LES of Canada's low skilled workers by addressing concerns and offering solutions to make this training possible.

What did you think of this *Insights* issue?

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