

# **Workplace-Centered Basic Skills Programs: Paths to Improving Design and Employer Funding**

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# Human Capital and Effective Organizations **Certificate** Designed to Develop Strategic HR Partners

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# Workplace literacy programs

## Workplace literacy research study results

- **Why work focused programs work**
- **Why workplace-based programs work**
- **Best practices**
- **Paths to employer funding**

# The Study

- **National Institute for Literacy fellowship**
  - Study of programs at 8 organizations
  - Manufacturing, health care, insurance, hotel consortium
- **Both small and large companies**
  - Union + nonunion; ESL + non-ESL
- **All programs 100% company funded at the time**
  - Some started with external grant support
- **Providers**
  - Community/technical colleges, vocational schools, nonprofits, independent consultants, one commercial reading program

# Why workplace based programs - 1

- **Almost 50% of U.S. adults operate at 2 lowest levels of basic skills (National Adult Literacy Survey)**
  - **About half of them (25% of all U.S. adults) work in full- or part-time jobs**

**“I never would have done it on my own [the company program], never would have gotten my high school diploma. By the time you get home, you don’t want to have to get in the car to go take a class somewhere else. It’s much better having it at work.”**

# Why workplace based programs - 2

## Motivation and learning within the context of the workplace

- **Link curriculum to job requirements**
- **Motivation through direct line of site to job and employment stability**
- **Traditional curricula from school didn't work the first time around**

# Why employer funded programs

- **Limited public dollars**
- **Extensive need**
- **Unions represent less than 10% of private sector workers**
- **Companies spend billions of dollars annually on training**
  - **Very small fraction on basic skills**

# Should companies invest - theory

## Standard human capital theory

- **Companies will not pay to train workers in basic skills**
- **Highly portable – increase opportunities to work elsewhere**

# Do companies invest - evidence

## How the human capital theory is correct

- Many companies require participation in basic skills training on own time
- Workers pay the time cost

## How the human capital theory is incorrect

- People do not have low skills because of informed choices about lifetime employment

# Barriers to skill attainment

## ■ Physical

- Learning disabilities
- Often undiagnosed in school
- Misinterpreted as motivation

## ■ Emotional

- Adults who did not learn basic skills face large stigma

# Human Capital Theory Rethought

- **Barriers to adult learning undermine orthodox human capital theory**
- **Low-skill workers expend enormous time & energy hiding their deficiencies**
- **Rely on family, coworkers to**
  - **Learn tasks**
  - **Read written communications**
  - **Perform simple math calculations**
  - **Etc.**
- **Constant fear of supervisors discovering their deficiencies and firing them**

# Boosting basic skills

- **Increase productivity & decrease error rates**
  - **Less chance of being fired (involuntary terminations)**
- **Increased commitment & loyalty**
  - **Lower voluntary terminations**

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

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

# Why invest

- **Changing job demands**
- **Technology & job design innovations**
- **Middle management layers removed**
- **Greater responsibility, decision making for frontline workers**
  - **More information shared**
- **Manual jobs now interact with computer displays**
  - **Basic skills more important for job success**

# Cheaper to build than buy?

- Can raise wages to attract higher skill workers
- It can be cheaper to develop current work force

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

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

# Learning center model

- **Learning centers used at 3 sites**
  - **Basic skills just one part of curriculum**
  - **Center used by many employees, not just those in need of basic skills improvements**
  - **Costs spread out over all programs – easier to justify spending on basic skills**
  - **Capacity to address basic skills built into center's mission – there if/when needed**
  - **Easier to ensure confidentiality for basic skills participants**

# What's the "hook" - 1

**How to tie basic skills training into company's strategy, training philosophy?**

- **Many companies have general training philosophy – no need for strong arguments for basic skills training**
- **Cohort of workers hired before practices (technology; org design) changed**
- **Drop in quality of job applicants**
- **Turnover problems**
- **Recently introduced new computers/equipment**

# What's the "hook" - 2

**How to tie basic skills training into company's strategy, training philosophy?**

- **Are internal promotions key source of recruits for higher level jobs? Does the company want them to be?**
- **Do frontline workers operate expensive machinery?**
- **Are they in key customer contact roles?**
- **How important is communication with frontline workers?**

# When everything works out

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

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

# Paths toward employer funding

- **Successful workplace based programs do not require public funding**
- **External funding can be important until initial “wins” can be shown**
- **Institutionalization model**
  - **Start with external grant to cover out of pocket instructional costs**
  - **Transition toward full company funding**
- **Release time can be much more expensive than instructional costs**

# Paths toward program success

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

# Other research

- **Company funded tuition reimbursement program**
  - Turnover while participating
  - Turnover after participating
- **Same issue for basic skills training**
  - Opportunities for advancement after training
  - Turnover within a department might not go down
  - Organizational turnover should decrease

# For further information

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