

Why invest in literacy and numeracy training for your workforce: what the most recent research tells us

1. The 2014 Survey of Adult Skills (PIAAC) shows New Zealand compares favourably to other countries, particularly in literacy and problem-solving.¹ However there is still a significant proportion of the population (approximately 43 percent in literacy and 51 percent in numeracy) who are at or below Step 3 in literacy and Step 4 in numeracy on the Adult Learning Progressions.² This means New Zealand is likely to have over a million people in the working age population of 15-65 year olds who do not have the skills to participate as fully as they might in learning, life and work.
2. Overseas studies show there is a return to both companies and individuals when employees undertake workplace training that incorporates literacy and numeracy.
3. A Canadian study (2014)³ where employees in the hospitality industry (88 firms in food and accommodation services) had approximately 18 hours of training delivery showed:
 - a. Increases in literacy scores
 - b. Increases in numeracy scores (but more modest than literacy)
 - c. Link between hours and increased scores
 - d. Improved job performance and higher rates of job retention
 - e. Improved health and well being and reduced stress levels
 - f. Increased customer satisfaction
 - g. 23% rate of return on training investment.
4. An Australian study (2015)⁴ in seven workplaces, four of which focussed on Return on Investment for the workplaces with a focus on quantifying benefits related to productivity, quality, compliance, safety, communication, further training and promotion.
 - a. Employers perceived the returns to be real and worthy of their

¹ Ministry of Education and Ministry of Business, Innovation & Employment. (2016). *Skills in New Zealand and around the world*. Author: Wellington.

² The alignment between PIAAC and the Learning Progressions comes from Thomas, G., Johnston, M., & Ward J. (2014). *Alignment of literacy and numeracy measures: Research for the Tertiary Education Commission*. Tertiary Education Commission: Wellington.

³ Gyarmati et al. (2014). *UPSKILL: A Credible Test of Workplace Literacy and Essential Skills Training*. Toronto: Social Research and Demonstration Corporation.

⁴ Australian Industry Group. (2015). *Investing in workforce literacy pays: building employer commitment to workplace language, literacy and numeracy programs*. Author: Sydney

- investment.
- b. It is challenging to get quantifiable firm level data to which firms can ascribe a financial value therefore firms need to be pragmatic about what data to collect.
 - c. ROI and cost-benefit are a starting point, but not solely sufficient.
 - d. ROI models must be customised, fit for purpose and add value.
5. A recent New Zealand study (2016)⁵ based on reports from 35 programmes funded through the Employer-led strand of the Workplace Literacy Fund found:
- a. programmes are reaching priority learners, industries and regions
 - b. gains in literacy and numeracy, but the exact extent of these cannot be determined because of the way they are reported
 - c. improvements in how workers use their literacy and numeracy skills at work which lead to improved efficiencies in the workplace
 - d. improvements in workers' confidence that leads them to better engage and participate in their workplaces which in turn leads to a more positive workplace culture
 - e. an inability to report on the extent to which there have been productivity improvements
 - f. a range of approaches to sustainability.

⁵ Industry Training Federation. (2016). *Workplace literacy fund: Employer-led outcomes report 2013-2015*. Author: Wellington