Wanganui and Districts Employers’ Perspectives on Literacy and Employment

John Franklin ♦ Su Olsson ♦ Margie Comrie ♦ Frank Sligo ♦
Niki Culligan ♦ Elspeth Tilley ♦ Franco Vaccarino
Wanganui and Districts Employers’ Perspectives on Literacy and Employment

John Franklin
Su Olsson
Margie Comrie
Frank Sligo
Niki Culligan
Elspeth Tilley
Franco Vaccarino

Department of Communication and Journalism
Massey University
## Table of Contents

**ACKNOWLEDGEMENTS** .......................................................................................................................... 1

**LITERACY AND EMPLOYMENT PROJECT OVERVIEW** ........................................................................ 3

**METHODOLOGY** .................................................................................................................................... 4

- Data Sources and Sample .................................................................................................................. 4
- Question Design and Recording ....................................................................................................... 5

**FINDINGS** ..................................................................................................................................................... 6

- Initial Business and Employers’ Group Meeting .................................................................................. 6
  - Skills shortages ................................................................................................................................. 6
  - Literacy skills .................................................................................................................................. 6
  - Government education and training programmes ......................................................................... 6
- In-depth Initial Interview with Employers’ Representative ............................................................... 7
  - Changes to the Wanganui economy ................................................................................................. 7
  - Skills shortages ................................................................................................................................ 8
  - Literacy skills and communication skills ....................................................................................... 8
  - Education/Training for employment ................................................................................................. 9
  - The wider New Zealand social context: Policies and attitudes to workplace training .................. 10
  - The importance of literacy and numeracy skills in the workforce: Statements from the community video .......................................................................................................................... 11
- Employer Focus Groups ....................................................................................................................... 12
  - Small business employers’ focus group ......................................................................................... 12
  - Skills shortages ................................................................................................................................ 12
  - Literacy and communication skills ............................................................................................... 13
  - Education/Training ......................................................................................................................... 14
  - Large organisation employers’ focus groups ................................................................................... 16
  - Skills shortages ................................................................................................................................ 17
  - What large employers are looking for ............................................................................................ 17
  - Literacy and communication skills ............................................................................................... 18
  - Awareness of literacy in the workplace ........................................................................................... 20
  - Support for staff ............................................................................................................................... 20
  - Coping Strategies ............................................................................................................................ 21
  - Education/Training for Employees ................................................................................................... 22
  - Focus Group Conclusions ................................................................................................................. 23
- In-depth Employer Interviews ................................................................................................................ 23
  - The small business employer .......................................................................................................... 23
  - Skills shortages ................................................................................................................................ 24
  - Literacy and communication skills ............................................................................................... 24
  - Education/Training for employees ................................................................................................. 25
  - The medium business employer ..................................................................................................... 26
  - Skills shortages ................................................................................................................................ 26
  - Literacy and communication skills ............................................................................................... 26
  - Education/Training for Employment ............................................................................................... 27
  - The large business employer .......................................................................................................... 28
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills Shortages and Needs</td>
<td>28</td>
</tr>
<tr>
<td>Literacy and Communication Skills</td>
<td>29</td>
</tr>
<tr>
<td>Education/Training for employees</td>
<td>30</td>
</tr>
<tr>
<td>One-to-one Interview Conclusions</td>
<td>31</td>
</tr>
</tbody>
</table>

**CONCLUSIONS AND FUTURE DIRECTIONS** | 31

**APPENDIX A: QUESTIONS FOR EMPLOYER FOCUS GROUPS AND LATER INTERVIEWS** | 36
Acknowledgements

The authors are grateful to the NZ Foundation for Research, Science and Technology for its support of this research under grant MAUX0308 Literacy and Employment.

This research programme could not have proceeded without the fullest possible involvement of the Wanganui community. In particular, the success of the research is due to the foresight of the Wanganui District Library, later joined by the Whanganui Community Foundation, Literacy Aotearoa (Wanganui), and Te Puna Mātauranga o Whanganui. Under the Library’s leadership, this research programme has benefited enormously from the support of many other local and national organisations, including the Wanganui District Council, Enterprise Wanganui, Work and Income, the Corrections Department, the Wanganui Police, the Tertiary Education Commission, the Ministry of Education, and GoodHealth Wanganui.

Many Massey colleagues also offered invaluable support, including Allyson Caseley, Lance Gray, Sharon Benson, Christine Morrison, Nicky McInnes, Nigel Lowe, and David Wallace.

We are indebted to many other friends and colleagues not named here for their insights and support to date in this research. All remaining errors and omissions in this discussion paper are of course the responsibility of the authors alone. Further, the points of view expressed in this paper are those of the authors, and are not necessarily endorsed by the community groups which, as is normal in a diverse society, will have their own perspectives on the issues covered here.
Literacy and Employment Project Overview

The Department of Communication and Journalism, Massey University, in partnership with the Wanganui District Library, began in February 2004 a major longitudinal research project funded by the Foundation for Research, Science and Technology, focusing on adult literacy and employment in Wanganui and Districts. Through a series of interlinked research projects the following four objectives are being investigated:

1. To establish the adult literacy needs of both employed and unemployed in the Wanganui and Districts region.
2. To identify the social, attitudinal, and economic barriers to adult literacy, numeracy and analytical thinking skills of employed and unemployed in Wanganui and Districts.
3. To evaluate how effectively adult literacy programmes secure employment outcomes.
4. To examine adult literacy learning processes and their relationship to employment.

The Wanganui community partners and subcontractors have added four further objectives, which are specific to gaining tangible benefits for Wanganui. These are:

1. Achieving positive, tangible, and practical outcomes for the Wanganui community, with a well-researched plan of action for medium-long term 2005-2015 to address identified issues relating to literacy.
2. Establishing a database of meaningful, relevant information relating to the links between literacy and employment in Wanganui, and identify links to other social issues e.g. crime, health, and housing; and providing benchmarks to measure future progress.
3. Developing collaboration between agencies within the Wanganui region, to strengthen the community and social infrastructure for future work and projects.
4. Building the research capacity within Wanganui.

This project is funded in excess of $2 million for three and a half years. To achieve its research objectives, the Department is collaborating closely with community organisations.

Employer perspectives on the literacy and employment issues for those in Wanganui and Districts is a vital part of this project. In examining Wanganui employers’ perspectives on these issues, the research team was particularly aware of the community-based and participative nature of the project. Thus, this report on perspectives collected to date attempts to represent as closely as possible the voices, views, and perspectives of those Wanganui employers who gave their time to engage in the project.
Methodology

Data Sources and Sample

An intensive, two-day orientation period, 1-2 April 2004, was facilitated by the Wanganui District Library as a primary instigator and stakeholder in the research project. During this time three members of the Massey University team met with concerned community groups to discuss ideas surrounding the project. These groups included a business and employers’ group, including business representatives from Enterprise Wanganui and two major employers in the area who provided initial discussion on their views of employment needs in the district and of the issues they saw as related to the literacy and employment project.

Later the same year an in-depth interview was carried out with an employer’s representative. In March, April, and May of the following year, 2005, three focus groups were conducted with employers. These focus groups were initially arranged through Enterprise Wanganui staff. An invitation to participate in the research project was sent out in an e-letter to 921 Wanganui businesses. Enterprise Wanganui then supplied the team with a list of names and companies who had indicated they were willing to participate. From this list two focus groups and two one-to-one interviews were arranged. A third focus group was created in response to a telephone invitation from the Massey research team. The third one-to-one interview was arranged similarly. An information sheet about the project and a list of benefits to employers was provided in the e-letter.

The focus groups covered two distinctive groups: large employers and small employers. Cameron and Massey (2003) distinguish businesses according to size: “a micro business is defined as having five or fewer employees, a small business as having six to 49 employees, a medium-sized business as having between 50 and 99 employees, and a large business as having 100 or more employees” (p.1). However, the Managing Director of Enterprise Wanganui suggested that these distinctions needed to be modified for a small city. Thus, the grouping into small and large businesses for the focus groups was based on recommendations about the local populace’s perceptions of the relative size of business within the city.

The small business employers’ focus group was made up of six people: five women and one man representing five companies. The first large employers’ focus group consisted of four men representing three companies. The second was with two men representing two companies.

Finally, three further in-depth interviews were conducted with three men; employers from large, medium, and small businesses.

The total data pool of employers’ perspectives consists of:

- An initial group discussion with employers’ representatives (2004).
• A small business focus group (2005).
• Two large business focus groups (2005).
• An in-depth interview with a small business employer (2005).
• An in-depth interview with a large employer (2005).

Given that the sample is small, and it is largely self-selected, it may represent employers who are more rather than less interested in issues of literacy and communication in Wanganui workplaces. Therefore, overall it should be considered as not necessarily representative of other local employers. Nevertheless, one useful contribution from this strand of the research is its identification of possible issues of common concern.

**Question design and recording**

- **Initial orientation meeting with employers**
  At the initial orientation meeting with employers arranged by the Wanganui District Library the Massey research team gave a brief presentation to provide an overview of the FRST-funded, community-based, collaborative nature of the research into literacy and employment in the Wanganui area. In particular, the team outlined the four FRST objectives and timelines, and the wider community objectives of the project. Employers were then asked for their views of the issues surrounding literacy and employment in the area. A shorthand record of employers’ statements was made and subsequently sent to the research team. Massey University Human Ethics consent was obtained for this and for all other processes outlined below with the usual guarantees being given of confidentiality.

- **Initial in-depth interview with employers’ representative**
  An interview outline was developed based on findings in the literature on literacy and employment and from points put forward at the initial orientation meeting with Wanganui employers. These questions were discussed and revised by members of the Massey research team and provided a flexible framework for the interview. With the consent of the interviewee, the interview was recorded and subsequently transcribed.

- **Focus group meetings**
  For the focus group meetings, the team attempted to reduce questions to key areas that had become apparent in the previous meeting and interview. A primary aim of the meetings was to provide starting points for employers to relate their own views and experiences with adult literacy and employment in the Wanganui and Districts area. A number of meetings and drafts of question outlines were discussed with the Massey team and considered by the Project leader, before a final, simplified question outline was arrived at. Key question areas included a pared-down number of prompts for the focus group facilitator to draw upon if necessary. A copy of the focus group question outline is included as Appendix A of this report.
At the start of the focus group meetings time was taken for greetings, refreshments, and an explanation of the process. Consent forms were presented and signed and the meetings were audio taped and subsequently transcribed. In addition, the research project manager sat in on the focus groups and took notes on the discussion in order to be able to clarify any parts of the transcripts where there might have been voice overlaps or confusion as to speakers.

- **In-depth interviews with large, medium-sized, and small business employers**
  These three in-depth interviews were undertaken with employers who expressed a willingness to participate in the project but were unable to be a part of the focus groups. The large employer was interviewed by phone. The other two interviews were carried out at the employers’ place of business and conducted by the facilitator of the original focus groups. The interviews covered the same key areas of questions as the focus groups. With the exception of the phone interview, the interviews were audio taped (with the interviewees’ consent), and subsequently transcribed. The phone interview was recorded through hand-written notes.

**Findings**

**Initial Business and Employers’ Group Meeting**

*Skills shortages*

The business and employers’ group pointed to increasing skills levels required in the workplace. One employer referred to “the bottom of the barrel syndrome” where employers no longer had the choice to pick from people with the relevant skills.

*Literacy skills*

A distinction was made between literacy and numeracy, and workplace literacies. ‘Literacy’ was generally understood here as reading and writing, and ‘numeracy’ as ability with numbers – a functional view. ‘Literacies’ on the other hand can be seen as ways of knowing, abilities, and tools that are used within a specific workplace (or other) context – a social practice view. Employers were primarily concerned with vocational or functional context literacies. One representative described how three major employers in the Wanganui area had developed their own workplace training schemes “tailored to their own needs”.

*Government education and training programmes*

In line with employers’ emphasis on the interface between workplace literacy training, there were some suggestions that current Government programmes do not fit employer needs:
Tertiary providers don’t cater for us; any literacy programme introduced would have to be relevant to us as a company. [We have] lots of minority ethnicities working for us, they may have a different learning style.

Government programmes don’t deal with problem solving.

Also evident was either a lack of understanding, or a dismissal of, NZQA Unit Standards: “Employers find Unit Standards a waste of time”. It was suggested that Unit Standards did not constitute a benchmark or a readily recognisable measure of potential employees’ capabilities: “There are no goals in Unit Standards, no 50% pass.”

Overall, the group stressed the importance of vocational context training and also suggested a need for the development of higher level ‘literacies’ (such as logical thinking and analytical thinking skills) related to specific workplace demands.

**In-depth Initial Interview with Employers’ Representative**

A further perspective on business and employers’ perceptions of employment needs was sought through an in-depth interview with a leading Wanganui employers’ representative. Three major areas of need for employers emerged in the interview:

1. Basic foundation or life skills.
2. Literacy skills.
3. Communication skills.

These needs were discussed within the specific context of changes of the Wanganui workplace and within the wider social context of New Zealand workplace policies and training.

**Changes to the Wanganui economy**

The interviewee described how originally Wanganui, like most provincial New Zealand economies, had a high reliance on central government infrastructure. Government centralisation of a lot of the operations in the mid to late 80s coincided with the shift of private enterprise to main centres and led to a 10 year period of recession in Wanganui. A number of small businesses began to spring up and the economy has now turned to a proliferation of small to medium sized businesses (SMEs) as a platform for the economy.

While the Health and Education sectors remain major employers in Wanganui, the growth of SMEs has occurred especially in the design technology sector, including component manufacturing, light engineering design, and lead light engineering. At the same time, there has been a 28% expansion in the manufacturing sector over the last five years, particularly in the primary processing sector. A major manufacturing business was cited as having developed from eighty staff four years ago to between three and four hundred currently with further expansion planned.
Skills shortages

The interviewee’s comments were focused strongly on young people entering the workforce as it was claimed that the “overwhelming comment from employers is that they can’t find people with a work ethic”. This focus on the need for basic foundation or life skills recurred throughout the interview:

One of the things employers are crying out for is basic life skills. Kids coming through that understand that they need to get up in the morning, they need to be at work on time, they need to be there for 10 hours or 12 hours, and they are not going to run the place in the first year.

He voiced the opinion that employers did not see it as their responsibility to train people in foundation skills, nor in basic literacy skills. In particular, a lack of these life skills was suggested to be both a possible parenting and a school system issue. He suggested that education should be preparing people for life and “a major component of their life is going to be their ability to earn an income”. In turn, he argued, gainful employment results in a reduction in crime and other social ills.

Literacy skills and communication skills

Literacy and communication skills were treated as complementary and almost synonymous at times. When asked to define what employers mean when they talk of literacy, the interviewee described basic functional skills as the tools to effective oral communication:

Most people would say that it [literacy] is the ability to write, to recognise the written word and comprehend it. Reading and writing and comprehension I guess in one slot and then your numeracy. Obviously the ability to do simple mathematic calculations, add and subtract, multiply in their heads. I think from my perspective it’s broader than that and I just come back to – I think oral communication is part of the literacy thing too. But I think they are all interrelated, and a lack of confidence in one leads to a lack of confidence in the others.

Interestingly, when asked what he attributed his own success in business to he replied, “Common sense and communication”. He then went on to describe an inter-relationship of communication and literacy:

It’s about the ability to work in the world, to communicate in the world – and that comes back to the numeracy, literacy thing – even, I would say, most of it would be the spoken word and the ability to communicate with people and articulate yourself properly. The reality is, I think, if you’re nervous about your ability to communicate in writing you then have a nervousness about communicating in other spheres, and so I think it is – one is important to the other.

The need for an increase in literacy skills was linked to changes in the employment context. Non-tariff barriers included the hygiene and sanitation legislation of other countries, which had to be comprehended and dealt with in industries. Within New Zealand there was now much more need for workers to engage in documentation, form filling, and reading and understand-
ing regulations, as for example, in Health and Safety regulations. Workers in industries where they could previously have functioned with limited literacy, now needed higher levels of literacy skills. This was evident, for example, in the employer representative’s description of the meat industry, which needed “the ability for an individual now to understand instructions both written, oral, or to be able to communicate that to somebody else, a third party.” Auditors now tested people’s comprehension skills on the shop floor and poor worker performance in communicating or applying instructions could result in the closure of a plant. At the same time, literacy and communication skills were suggested to be generic across industries: “It doesn’t matter what you are doing, it’s as much about communication and people as it is about process.”

The changes in the workplace that have resulted in a greater need for functional literacy skills are reflected by the greater number of industries who are carrying out pre-screening of applicants. The interviewee mentioned that in a recent pre-screening by a large industry, 50% of the applicants failed on numeracy literacy.

In contrast to the Government’s concern for the development of a knowledge economy, the interviewee suggested that, while high-tech industries in the Wanganui area were experiencing some difficulties in finding people with the relevant skills for computer assisted design and manufacturing, there was also a real shortage of skills in the more traditional areas of trade such as fitter and turners, tool makers, machinists, and dye castors.

Of computer skills, the interviewee stated that with the possible exception of the older worker, such skills were not a problem as young people all knew how to use a computer and surf the net, but that did not mean they had good literacy skills.

A distinction was implied between the sorts of skills employers would be seeking for different job levels:

I think if you asked an employer to list the five greatest qualities they wanted from an ordinary employee … they would be talking about their ability to turn up, those basic foundation things. I think if you look at a more senior level either in management or a supervisory level, yes, then you would be looking at communication.

Overall, these descriptions conform to Johnson’s (2000) account of functional approaches that view literacy as ‘a tool to improve workplace communication’ (p.37). However, they also point to employers’ concern for basic foundation skills as well as literacy skills, and they suggest that communication skills are of particular importance to career advancement.

Education/Training for employment

In the interviewee’s opinion the old apprenticeship system taught basic work disciplines and foundation skills while training people in specific trades. The interviewee argued that it was a mistake to move away from these traditional training programmes. He felt employers found the new apprenticeship system too difficult to cope with. For example, the interviewee related that the new framework for the engineering industry consisted of 3,000 modules. Employers
faced with trying to work out which modules out of the three thousand are appropriate find it too hard and give up, resulting in a big gap in training. While Industry Training Organisations (ITOs) work to some extent for the main centres they do not help in the provinces so there is a huge problem with training.

Similarly, the interviewee suggested that a lot of training courses were too focussed on theory and did not engage in sufficient applied or hands-on training. He also pointed to the way in which government funded 9.00am to 3.00pm courses that did not adequately prepare students for the realities of the workplace which might involve a 10 to 12 hour day.

Employers did not expect to have to train people in basic life or literacy skills, but saw these functions as part of school or pre-employment courses:

"They [employers] would expect them to come out ...not only with those foundation skills but also the ability to read a micrometer. To know the difference between millimetres and inches and gallons and litres or whatever. So that they come into the work place and at least understand the basic language and tools. But ah, the employers don’t see themselves as the trainer. We have a school system."

At the same time, the interviewee acknowledged that employers on the whole would be willing to up-skill workers already in the workforce who demonstrated reliability and a good work ethic in situations where new equipment or demands were made upon such staff, for example, computerization of an industry. In such cases, the fact that the worker demonstrated good foundation skills would outweigh their lack of specific new skills that might be required, including specific vocational literacy skills.

The interviewee also felt there was no alignment between the New Zealand school system, the tertiary system, and the workplace. His reasons for this view form part of the wider social context of New Zealand workplace policies and training.

The wider New Zealand social context: Policies and attitudes to workplace training

A number of interrelated points constitute the interviewee’s view of workplace policies in New Zealand. The first is the way in which the New Zealand education system and society, perhaps in the attempt to work towards a knowledge economy, have created an emphasis on university education and a rejection of training for trades:

"One statistic I will give you, 96% of year 13 children said that they had not considered trades as a career. Comments that came back were: ‘They are dirty, they are for losers, people with no ambition, etc, etc.’ So what have we done as a generation of parents and educators? We have told them unless you go to the university and unless you are in technology type industry, in IT is the one that we are pushing the most. Central government started this by saying there's no future for agriculture in this country. No future in manufacturing, it will be done in Taiwan and Korea, and agriculture will be too small soon or insignificant. The reality is we still have a high reliance on agriculture and always will as a country. And we will also always be going to have a
need for someone to fix our plumbing as they are finding in Japan and other countries. We haven’t trained these people and we have considered the trades to be some second-class introduction. Whereas I would argue the opposite. I see those base skills, life skills, as a good platform for someone to develop their own business … I think that we’ve really done ourselves as a generation a disservice in terms of our youth.

In direct contrast to the notion of building a knowledge economy, then, the interviewee suggests, “IT was the future but of course we all know what has happened with IT, that our market is saturated, technology is drifting in other directions”.

Closely linked to these views is the notion that our society has become too liberal and too politically correct, so a false paradigm of society has been created “where we have this thing of everybody winning and no losers”. In our school system this has resulted in a movement away from measurement or assessment through tests and examinations. For employers, this has resulted in no benchmarks, and bafflement at the national certificate:

What’s this kid actually good at? They have got a series of marks but it doesn’t actually tell me anything…. There needs to be a benchmark that says ‘yes you’ve passed’ and ‘no, you are not up to it’ and we can actually hold you back and you can do that subject again.

The interviewee makes the point that people have differing abilities and some may be suited to academic work and others to cadetships or trade where there is a greater emphasis on applied skills. He sees this natural difference in interests and abilities as a case for bringing back streaming:

It doesn’t mean that kids aren’t up to it. But they will have a natural aptitude to one particular thing. They may be very dexterous and very good with their hands; they may have a very good mind for looking at shape and design. And I think we’ve got to spend more time looking at where their skills and abilities lie. And less time on a set curriculum that says this is the way we do it and the end will spit you out. And some will swim and some won’t but that’s not our problem. Well, I really think it is…. I think it’s bloody important. It’s a big philosophical statement I know, but yeah.

The importance of literacy and numeracy skills in the workforce: Statements from the community video

Subsequent to this interview, the interviewee contributed to a video programme about the Literacy and Employment project, initiated by the Wanganui District Library, which presented viewpoints of concerned Wanganui community agencies and stakeholders. In the video the interviewee reiterates some key points he made in the interview. The first concerns the extent of the adult literacy problem in Wanganui:

I was surprised. We did a needs analysis … recently and that really brought to our attention the fact that Wanganui did have a severe problem in terms of literacy and numeracy with companies reporting anything from 30-50% of applicants failing to meet the basic entry criteria. So we found that very surprising.
He also pointed to the increasing need for higher level literacy and numeracy skills within a wide range of industries following the increase in regulation and compliance issues within the workforce. He suggested that where once school leavers could find work with limited literacy skills, this was no longer the case:

*Industry across the board, and not just those that have traditionally had a low entry school level, are looking for a greater level of numeracy and literacy. This is coming through particularly in traditional industries like the meat industry, the pet food industries, tanning etc, where there was a time when you could leave school with very limited skills and perform in the workplace adequately. Today, you can’t. Today you actually need a higher level of numeracy/literacy to understand the compliance issues, not just local ones or domestic ones like health and safety requirements in the workforce etc, but also the important country ones, particularly in food safety and hygiene, food handling etc. So it’s very important.*

**Employer Focus Groups**

Two employer focus groups were held, one with small business employers and two with employers from large organisations. While they shared many similarities in outlook, and echoed some of the observations of the Employers’ Representative, they also dealt with essentially different members of the workforce and faced different issues. Consequently, the findings are given for each group separately.

**Small business employers’ focus group**

*Skills shortages*

Small business employers all felt it was difficult to find people in Wanganui with the skills required for the job, and said they would hire more people if they were available. Some said they put in 24/7 weeks themselves to keep their business operating effectively.

While skills shortages were evident in specialised areas such as design, there were just as many problems in obtaining good secretarial staff, people with good word processing, and time keeping skills. They were either already employed or just not there. One employer described how he was forced to spend most of his time pushing paper in the office rather than out with the ‘boys’ on the job, and he had his 60 year-old mother doing the office accounts.

School leavers were a primary source of staff. The problem here, especially with specialised skills, was that the employer’s investment in training did not have long term benefits as the common experience was that young people stay three or four years and then use their training as a springboard to move elsewhere or go overseas. They do not subsequently return to the Wanganui area. Similarly, one employer described how a polytechnic tutor relayed that once young people got their tertiary qualifications, “they don’t want to waste in Wanganui”. }
Consistent with other employers in the area, the comments of small business employers focused on young people and prioritised basic foundation skills as evidenced in the following statements:

There aren’t many A grade students. We just want the basic skills.
Good thinking. Attitude and aptitude and that’s pretty hard to come by.
Just commonsense is really hard.

Other qualities looked for in potential employees were integrity, initiative, practicality, and willingness to learn. As in the initial interview with the employer’s representative discussed previously, there was general agreement that young people lacked basic foundation skills and had “unrealistic attitudes about working – actually what you have to do to get your income.”

**Literacy and communication skills**

Perhaps more than any other group, small business employers face the challenge of having to make good decisions when employing staff. They have to do it themselves without the aid of HR managers, interview committees, and standard company employment procedures. Employment, offered in good faith, can have hidden dangers for them.

These people that have literacy problems often know how to fill out name and address and telephone number so form filling can be pretty standard so they can slip past an employer because they know how to fill out forms. You take it beyond the form and then you see…

Because these employers have more direct interaction with and reliance on their staff, they are very aware of the need for literacy, numeracy, and communication skills.

Certainly, small business employers were acutely aware of a lack of numeracy skills among young people. One employer described how he was interested in hiring a part-time college student and received 20 applicant phone-calls. However, when applicants were put through “a basic maths test, just someone with a calculator, they couldn’t do it”. In the end he selected a young person with aptitude, practical skills, and good parental support, “and I am teaching him the absolute basics at maths”. Another employer pointed out the cost to the business of an employee who couldn’t do basic measurements accurately and suggested a lack of concern for such matters on the part of the young person:

If you happen to be a couple of centimetres out, you’ve got 5,000 stickers and $1,000 worth of work up the spout. They don’t care. It’s just, ‘Sorry, I got it wrong’.

This awareness of the lack of numeracy skills in school leavers echoes the views of carpentry tutors interviewed in another aspect of the Literacy and Employment study where it was stated that they (the tutors) had to teach students basic measurement skills that they should have already learned in school.

Basic reading and writing skills were also a problem which affects productivity:
If they can’t read written instructions, then they’re not going to get the job done right.

It was found surprising that so many people go through secondary school without being able to read properly. One person lamented that young people are not able to read for pleasure. Equally problematic and time consuming is the way employees can’t follow oral instructions well. Ironically, this results in employers having to carefully write out every step of the procedure to be carried out: “We have to write out every step of the way just to get something done”.

Seemingly linked to the inability to follow oral instructions is the inability to record or take accurate phone messages as the employers’ statements below make clear:

They’ll just take someone’s phone number and write it incorrectly.
They hang up and say, ‘Who was that?’
‘A man’

The group agreed that problems with basic literacy skills alienated customers and subsequently cost the business money. They also suggested that young employees have little idea about effective interpersonal communication skills and the need to adapt oral communication styles to the person they were speaking with as, for example, when speaking to a contractor as different from speaking to a lawyer.

However, this was the only employers’ group to mention shame that resulted from the identification of low literacy in someone. They saw this stigma as comparable to being identified with an STD. The stigma attached to poor literacy posed a difficulty both for employers to single out staff and for employees to acknowledge they had a problem. Dismissal of such employees was also problematic as it could result in a personal grievance case against the employer:

Then there are the dangers around the cost of personal grievances and the cost of not getting it right or getting it wrong.

Education/Training

This group saw literacy problems mainly as systemic with students slipping through the school system. The employers strongly advocated “a more directive approach to teaching these kids work force skills”. At present, they believed, students don’t see the point or relevance of the subjects they study at school. There is a need for these students to be taught to read newspapers and to prepare for the working world. One employer pointed out:

They’re [‘kids’] expected to pay rent and food and they’ll have this much left over. Use examples that actually mean something. That’s why you need to do your sums, add columns straight, and know how to use a calculator.
Along with the Employers’ Representative, the group also suggested that not only basic skills but a work ethic was non-existent, including the life skills to deal with the practicalities of even getting to work:

Knowing how to set your alarm clock. Knowing how to read a bus timetable to get to work.

These problems were seen as systemic and entrenched:

And that’s what we’re actually dealing with with kids coming from secondary school. They’ve lost their way. So we’re trying to pick up a problem that’s entrenched and we simply can’t because we’ve got too much to pick up and we can’t afford to do all that picking up and training. We actually need them to come to us with a basic level of skills to guarantee that they’ve got the basic level of skills and enthusiasm, and that they’re willing to learn. But it’s gone.

Along with basic life skills, employers looked for functional literacy skills, “practical English skills”, for instance, or the ability “to write a business letter”. Given these skills, employers stated they were happy to provide on-the-job training:

You don’t mind the specific on-the-job training.

However, training, whether done by providers or on-the-job, represented a cost to employers and it was suggested that employers would be much more receptive if they were subsidized for training:

We wouldn’t mind training if it was recognised that it costs us money to do the training. I would rather subsidize employers than unemployment.

There was also some scepticism and perhaps lack of understanding of the NZQA. Laughter greeted the question, “Does NZQA understand the needs of the business situation?” However, one person mentioned that Enterprise Wanganui was running a course on how to understand NCEA and acknowledged the possibility that “Maybe NCEA will work”.

For the most part small business employers had uneven experiences with workforce training providers. One employer recounted how they had gone down to a training organisation with students, only to be met with resistance from the providers:

The training wasn’t happening down at those organisations either. It was absolutely shocking. And I’d go down to them with a student and talk to them and I was sort of rubbed out, like you’re just a difficult client, customer, interfering old busy body.

By contrast, another employer described sending people to the Small Business Development Unit as a most positive experience because the study units were well directed to specific workplace skills.

A further issue for employers was the cost involved in day release for staff to take courses, often without a good return to the employer: “For some [employees] it’s like a holiday park – it all comes
Two long companies. Their employees A before, usefully competitive; Employers also expressed a considerable dissatisfaction with and resistance to being sent the long-term unemployed as possible workers:

Some of them are unemployable. I don’t know that any amount of training would help.

A final problem voiced in this context was the near parity between the community benefit and the entry level wage, which, it was felt, offered no inducement for young people to work. As before, the implication was that there were young people out there who were capable of being usefully employed, but the community benefit formed a ‘safety net’ for them which reinforced their lack of work ethic.

**Large organisation employers’ focus groups**

While small business employers are very much at the cutting edge of employment entry issues, two of the large employers in the first group we spoke with were less vulnerable to these issues because of two factors: first, entry into some positions in their workforce is sought after and competitive; and, second, they are in the market for graduates for these positions. The two companies in the second large employer group have no need of graduates. Their need is for a greater “hands-on” workforce, where it is reported that “there are people who can’t read or write”.

...
Skills shortages

Despite their interest in graduates, the first employer group acknowledged that a tight labour market was resulting in shortages at all levels of their organisations:

*It’s across the board really. It can be as far as good administrative people, to sales, to even encouraging senior management people to come to Wanganui, and that’s not specifically linked to literacy …. It’s a pretty tight labour market out there and the past six or so jobs we’ve advertised – only one had a decent selection from which to choose.*

In contrast to the small business group, however, these large employers looked nationally and internationally to fill staff vacancies. They acknowledged that while there were plenty of graduates, they still encountered some resistance to Wanganui as a provincial town, which was perceived to be lacking in the career opportunities offered by the main centres. They relied on ‘imports,’ but found that while they could attract graduates, most would move on after a few years. Thus, together with the small business employers, this group was affected by the transient nature of the youthful workforce:

*We wasted a lot of time and effort and money in employing and training these people only to lose them to somewhere else.*

One employer described how his organisation used a lot of contract labour to deal with the shortage of trades people.

The second large employer group confirmed the difficulties faced by businesses with the shortage of skilled staff to draw on in Wanganui and districts. One man spoke of how necessary it is for skilled staff to “have edge, be competitive” and how business growth is limited by skills shortages.

*It is difficult to employ people in the business because as the business grows, we need more people with skills and this is not always available in Wanganui. People from outside do not come to Wanganui so there is a huge gap. There are still vacancies. I have advertised for seven to eight months, and will continue to do so till I get the right people. It’s frustrating because the business doesn’t move on as quickly.*

It was acknowledged that there are people looking for employment in Wanganui, many of them “long term Wanganui people… but they don’t have the skills and knowledge” that the business needs. And some of them “don’t know left from right, and they can’t write.”

What large employers are looking for

The primary skills looked for in potential employees by the first group of large employers were adaptability and attitude. Adaptability included elements such as initiative and responsibility:
A person’s ability to take responsibility in their position. In order to do that they need to be adaptable to the various issues that come into their ability.

One employer distinguished between part-time and permanent staff to indicate the qualities sought in the latter:

Based on fit and their skills and accessories, also their work attitude, not what they do but how they do it and for, I suppose to a degree, that future potential. Like the small business focus group then, these large business employers were concerned for work ethic and attitude, but they were also interested in the future potential of employees.

Our owners have long said that our associates [employees] are the most valuable resource. Yes you pay money for factories and you pay money for equipment, but it’s how well and effectively that equipment is run in those factories that is the important thing. So they have always and probably will always invest in their associates … the payback is that we get a highly skilled and motivated and hopefully loyal associates doing a very good job, which means that the business prospers.

It was perceived by the second group that there are some jobs in their industries where “you wouldn’t need literacy”.

If they are doing physical work, they may not need much literacy, but they still need to understand… If you’ve shown them, they learn straight away and correctly. With some people, you can just verbalise it, and they can do it; but definitely not on paper.

The accommodation that is therefore necessary when employing those with low literacy is shown by one employer. He described how employees are given an induction booklet outlining what they need to know about the company and the specifics of the job they will be doing. It is immediately obvious that some cannot read it.

And these guys will ask basic questions like ‘When are the smoke breaks?’ and they ask about hours and salary. Then, on the back of the contract all they say is, ‘Where do I sign?’ So I show them where to sign and where to write the date.

What emerges here is the awareness that there are people who are available for employment in Wanganui. Some do not have the skills needed and are therefore not employed. But where unskilled labour is of benefit to a company, staff are employed and allowances made.

Literacy and communication skills

For the most part a certain standard of literacy is both demanded and assumed by employers in the first group:

On the shop floor we expect people to be able to read instructions and fill out control sheets. As they work higher up, if they become supervisors, we expect them to use a computer and to fill out
Production Incident Reports. If they read something wrong and incorporate the wrong ingredient it could be an expensive mistake.

Some have tests designed to measure the competence of an applicant to perform specific tasks, although there was no specific testing or gauging of literacy levels carried out by these employers. Some employers are therefore cynical about the ‘fluffy stuff’ that is found in CVs and employment agency recommendations, as agencies are perceived to have agendas that may not be congruent with the actual needs of the employer:

We don’t expect them to know anything much, but if they [the training organisation] suggest they have a skill, we expect them to have those and sometimes that's not coming through. You get this fluffy stuff saying, ‘We know this and we know that.’ In fact, if you gave them a test you would soon discover they couldn’t...and sometimes the representation that comes from the agency we contact is contrary to what even the young trainee says.

As a result, some employers require applicants to fill in an application form in front of them. Others ask for a letter of application from which ability with written language is gauged. The employers acknowledged that problems with writing would be picked up by the requirements of their job application forms, but this would not necessarily pick up problems with reading. One employer said a certain standard of literacy is assumed to have been established through an applicants’ tertiary qualifications:

We just ... make an assumption based on what their qualifications are and assume if they’ve got a degree or some sort of tertiary education that their literacy would have been already established.

At the same time, there was general recognition from the group that young people, despite the degree programmes they complete, often have poor mechanics of English:

They speak a different language and we’re talking about kids that have graduated with a Bachelor of Arts. They’ve done a Diploma course and they come to us and they cannot spell. And their grammar is atrocious.
Oh, their grammar! We won’t go there!

This recognition led to one employer commenting that if these poor literacy skills were evident in graduates, then there must be far worse literacy issues in the rest of the young working age population:

If that’s [graduates with low literacy] the top end of it, there must be a mass of people below that are not on these degree courses whose literacy or understanding must be pretty inadequate to say the least and that is scary.

Such comments reinforce the indication that some large organisation employers are cushioned from a lot of the adult literacy problems and issues faced by small business employers. These large employers’ lack of awareness of adult literacy problems became explicit at certain points throughout the focus group meeting: “We just take it [literacy] for granted.
Awareness of literacy in the workplace

The need for an empathic approach to individuals’ literacy ability is not generally seen to be appreciated by senior management who will send instructions to employees and then say, “People should know that, because I sent them an email.” Through these modes of communication, those with low literacy skills in terms of reading and technological ability are disadvantaged.

In a smaller company, it is easier to get everyone together [to communicate information], but in a bigger company, it is more difficult.

And in a bigger company, senior management are more prone to make assumptions about staff literacy levels without consulting the staff’s immediate managers.

This lack of awareness of literacy as an issue was also seen in responses to a community phone survey about employment needs in the region, where respondents were asked “What are important skills for employment in Wanganui and Districts?” Literacy was mentioned as an important skill for employment by only 5.2% of people. Congruent with this, one employer stated:

I don’t think it’s [adult literacy] fully understood, and I don’t believe people understand how much of a problem it is.

Another employer in this first group acknowledged that they also were not aware of the problem because they did not come across it in their day-to-day experience:

I think I’d be staggered if I understood how illiterate the average population is. I’m not really exposed to it. I assume literacy is normal.

Linked to these sorts of assumptions was a view that because of the various forms of workplace “testing” done the “illiterate are not able to get employment nowadays”.

Finally, in this first group of large employers, literacy was seen as a form of communication, and the necessity for a range of communication skills from email written communication to interpersonal communication skills was viewed as essential:

Communication in this day and age is more important than ever and if you can’t communicate, and I think literacy is a form of communication, you’re at a distinct disadvantage.

Support for staff

In the second group of large employers, a common need emerged, that of support for staff with literacy difficulties. One employer noted:

A lot of guys don’t want to get involved [with production planning] because they’re scared of having their low literacy exposed. They will talk about new ideas, but nothing in writing Spelling may be the problem for some. There are lots of people who can’t spell… How can I, as an
employer, provide an environment so that people are confident to talk [about literacy difficulties]?

One employer in the group was very keen to break down the barriers behind which staff with literacy difficulties may hide. This employer stated he tried to develop a supportive environment, approaching employees with literacy difficulties by saying, “Don’t worry. Why didn’t you tell me?” He himself left school “when I could” with low literacy. This employer is willing to share his own experience of literacy learning difficulties with employees to get alongside them and motivate them to do something about it: “And I have learnt the most in the last seven years, and I was motivated to do so because I had to.”

This employer reports that, “Once the barriers are broken, [the employees are] okay, and ask questions to avoid errors”. He notes that people may not have the confidence to stand up in a meeting and ask questions about something they did not understand in a presentation; They wait until the meeting is over and single him out. “They want to talk to you about it.” Perhaps because of his identification with the issues from his personal experience, he is more than willing to give the employees all the time they need, even after-hours, to understand the literacies required by their job.

In the face of literacy problems, the second group of employers stressed the need for good communication with staff, and both affirmed the need for good people skills, one saying, “How, as an employer, can I provide an environment so that people are confident to talk?”. Since they perceive communication to be associated with workplace safety, production needs, and profitability (the source of staff income), personal relationships were considered primary as unless staff felt comfortable talking with managers about their difficulties, expensive mistakes could be made to the detriment of the enterprise.

You have to call out people’s strengths [regardless of literacy ability] and value them as individuals. You have to communicate verbally and make sure they do what you say so they know where the boundaries are and what acceptable limits are. And people need to see that you do what you say. Consistency is important. [Relationships] build a foundation for you and for your employees.

It is observed here that these employers see communication as more than literacy, and where literacy is not adequate, management has a responsibility to make allowances. The responsibility of the staff was viewed in terms of ensuring they had received and understood these communications: “If you don’t know, ask!”

Coping Strategies

The second group of employers spoke of particular coping strategies that were used by employees with literacy difficulties. For example, employees who cannot read manuals, operational instructions, and workplace written procedures will learn by watching others:
Some of them stay close to others who can read, so they can imitate them. For example, in the wool industry, they can’t identify letters, but they can watch. They often have excellent listening skills, but won’t know what the letter R is if you ask them.

If you can show someone what to do, it is easier than reading.

Education/Training for Employees

To a lesser extent than with small business employers, the first group of large employers showed some recognition of education’s larger systemic problem in that at least some young people “got lost in the [school] system.” The view was expressed that “The horse has bolted by the time you have adult problems.” The question was raised of how many young people now read newspapers or books, and it was felt that television had contributed to this lack of interest in reading by turning information into brief sound bites, “Fifteen second splurges of info.” Positive mention was made of a current television advertisement, which shows a father reading to his children. By contrast, a television advertisement depicting a young man bringing a box of Lion Red to a book-group meeting was seen as promoting a negative image, “The message is that cool blokes don’t read books.” There was increasing awareness of the need to support staff training in large organisations. In part, this awareness came from the tightness of the labour market:

There’s nothing like a tight labour market also to drive in up-skilling because if you can’t do it externally, you need to do it internally.

In one large organisation, staff training and up-skilling was seen as an “investment” in employees. The organisation had a full-time training coordinator and used an Associate Development Model (ADM) with all permanent employees “to train and develop them through a process or a career path,” which started at entry level and included components for succeeding levels from line leaders or supervisors on. Training courses in this organisation were supplied by either internal or external providers and covered both internal technical training and basic communication such as presentation and listening skills. These skills were assessed in terms of competencies selected to reflect the various levels or roles in the organisation. Mention was also made of developing a relationship with an ITO such as Competenz so that people end up with a transferable certificate of unit standards. With regard to this, when the employers were asked how well NZQA understands the needs of their businesses, the responses were as follows:

The product we put out every day and how well it sells, that’s our NZQA.
I think that within the business though, there are areas that we work in that involve every department that probably run a parallel course. They’re not recognised as NZQA, but there are certain things we’re doing with issues such as Health and Safety, for example, that involves everyone in the company understanding and knowing the process.

In other words, these employers suggest that they engage in processes of reading and understanding in the workplace that form their own work-based, but parallel, type of training to NZQA courses.
Overall, in these groups, there seemed to be a preference for vocational context training related to specific competencies identified within the organisation or industry. Linked to this was an awareness of the possible benefits of working with vocational based training providers such as ITOs.

There was little said about staff education and training in the second group of large employers. One, however, spoke of the in-house training that his company provides for matters such as customer service, but he noted that “How much is taken in by the individual, we don’t know.”

In the second group of large employers, one employer did speak of a “good literacy program” he is aware of in the community, while another had no knowledge of any literacy programmes that are on offer in Wanganui.

Focus Group Conclusions

Common to both the small and large employers was the experience of a skills shortage and the common concern around expenses of training employees who then take their skills to other external-to-Wanganui employers.

All the employers in the small and large focus groups agree on the primary need for good literacy and communication skills in order to conduct good business. The lack of adequate literacy and communication skills can prove to be a cost to both production and customer service for the business.

Providing education and training for employees is regarded by all those interviewed as a valuable business investment as well as a positive personal investment in the lives of employees (which has consequences for business). However, there was the general feeling that employers should not be responsible for the teaching of literacy and fundamental life skills. Larger employers spoke of intentional staff training programmes, while the small business training programmes were largely on an informal basis.

There was little awareness of specific literacy training programmes in Wanganui and Districts by many of the employers in both focus groups.

In-depth Employer Interviews

Interviews using the focus group question outline were carried out with three Wanganui and Districts employers who were not able to attend focus group meetings but who were willing to participate in the project. As with the small and large business focus groups, these three employers dealt with different groups in the community.

The small business employer
The small business employer runs a temporary placements agency which gives him a significant and unique overview of employment issues in the business community. He is aware both of the needs of the employers in the district who are his clients (the skills needed), and the needs of people who are not in permanent employment (the skills available).

**Skills shortages**

Like the small business employers’ focus group, this employer prioritised foundation skills and work ethic in potential employees: “Reliability. That’s number one… that’s a skill in itself; turning up for work.” While he felt that a lack of reliability was evident across all age groups, he suggested that young people tended to be less reliable than people with family responsibilities, “Some of the young are shockers”. He added that as a result, young people lack experience and so are less likely to be employed by companies who have vacancies. While he is aware of professional skills shortages throughout New Zealand, his priority in Wanganui, on behalf of his employer clients, is reliability.

**Literacy and communication skills**

At the same time, he outlined the difficulties of gaining employment for anyone with literacy problems. Even if the potential employee did obtain entry-level employment, they would not be able to progress further in the workplace:

> Someone with a literacy issue, if you like, would find it more difficult to get on in the workplace, retaining employment. The natural progression doesn’t happen, for example, if you started as a sweeper, the chances of becoming a machine operator or driver of something are less in a big factory if you can’t read and write.

He reiterated that reading and writing are essential in the workplace but went on to state that in his experience people who lack basic literacy may still have numeracy skills. He gave the example of a young man he deals with who cannot read or write, but who can work out if his wages are incorrect:

> He’s got numeracy skills. And I’ve found that’s often the case. I’ve found that people who don’t know how to read and write still go shopping, still do their banking.

Again, like other employers, he saw literacy and communication skills as interconnected:

> They [literacy and communication] go hand in hand almost. People without a literacy issue are generally much better communicators.

This employer suggested that in his experience, those who don’t read newspapers or listen to the news tend to have limited general knowledge and awareness of current affairs. The result is limited conversation and communication skills. He described how he would provide a newspaper everyday and put it out for the people who came to the agency "but there would only be one or two who would read it".
Education/Training for employees

This employer immigrated to New Zealand only a few years before. He noted that the literacy and employment issues people looking for employment faced were very similar to those of his homeland which “has very similar issues, probably for the same reasons. There’s poverty. The parents didn’t learn so much.” He therefore seemed to regard literacy problems as nothing unusual and accommodates those for whom it is an issue.

We had this gentleman in this morning. We filled his form in with him because he obviously was incapable of filling it in himself.

Interestingly, he suggested that many of the people he tried to place, demonstrated elements of the reliability and perseverance that employers wanted and that, even though some may have rough exteriors, they deserved to be given a chance in the workforce:

They’re got a good work ethic. Some of them are here before me [at 6.00am]. Sometimes there’s a queue…Quite often there isn’t a job to give them. And all they get is a cup of coffee and sent home. And they still come in the next day. So that tells me they deserve a chance all right.

Of these people, only a minority have literacy issues. The employer stated, “Out of the half a dozen, or however many there were this morning, I would say, one of those guys was a poor communicator and probably has got literacy issues”. This may indicate that, despite talk of skills shortages in Wanganui and Districts, there is still an untapped pool of people with the desired work ethic and literacy skills.

This interviewee overcomes some of the obstacles facing the unemployed by being proactive in seeking work for them and matching people with employers’ needs:

I go knocking on their [employers’] door… I’m a salesman. In the morning I manage the room. I’m placing people in work and then after lunch I go knocking on doors because I get people who say, ‘Yes’, I need a couple of your guys but I never get around to actually doing it.’ So I asked to get a couple in this morning. I drove them to the building site. He says, ‘Okay then,’ and gave them a job.

With regard to literacy ability among those looking for work, this employer said he does not carry out any testing of literacy and numeracy skills. Nor does he refer people he thinks may have literacy issues on to literacy providers. He felt there would be a problem with motivation to take literacy courses on the part of the people he tried to place in temporary work:

These guys would only probably take that [training] up if they were paid to do it, or it was seen to be economically worth their while.

Like many other employers, he was not aware of providers in the Wanganui area who offered opportunities for employers to up-skill their staff in terms of literacy. He had a message to providers to publicise their offerings and courses to the community:
Well there might be other responsible people in the community that would be interested in hearing from them, so that’s the message. If I haven’t heard of them and I regard myself as a responsible, you know, there’ll be other people like me... If any of these literacy providers do want to get in touch with me, then…

The medium business employer

An interview with the employer of a medium sized business provides a contrast with the small employer as his customers are the community, as opposed to employers. The medium employer, it will be noted below, is servicing the “middle-class” socio-economic section of the community, and needs staff who have literacy, communication, and service abilities to match the needs of customers.

Skills shortages

While aware of skills shortages overall in Wanganui, this employer is not affected adversely by this shortage in his business. He describes how he received 20 CVs for a recent advertisement, and out of these applicants was able to select three “particularly good people”. Interestingly, these successful applicants were all women, one who was re-entering the workforce, one who was a young mother, and one who was also running her own small business and wanted part-time work. This may suggest that women represent a under-utilised potential labour pool in the community.

In line with other groups of employers, the primary quality this employer looked for was described as “attitude”, rather than a knowledge of the product:

That’s important that they have some kind of passion there, but it’s probably third in the list of relevance. The first thing is personality and character. The second thing is insight. In other words, have a little understanding or sensitivity to the environment – so what’s happening to people, what’s happening to the team, being able to be proactive in that area.

Literacy and communication skills

Literacy skills were seen as extremely important in this medium-sized business. “If they can’t read or write, we’re not going to employ them.” The way of testing for these skills was through requesting a handwritten covering letter with the CV and application form. The reasoning for this approach was given in an example that the employer had once employed a young man over the phone who turned out not to be able to read or write. He had to be told exactly what to do and was restricted to a functional, physical role, which meant that the business was less efficient. The employer pointed to the critical role of providing information in the business:

We impart knowledge. It’s one of our critical roles...If you have points of difference in a business that would be one of the key ones, our ability to impart knowledge, our reservoir, and our
ability to source it if we don’t know. And that requires a library and use of books for research and things like that. And the other part, of course, in terms of the need for literacy, is the ability to write things down, like customer orders and information for the customer.

Numeracy skills were equally important to the business:

They’ve got to be able to function in maths. They’ve got to be able to work out how much active ingredient. If someone says, ‘How much of this [chemical] do I use in a litre?’ they need to know that…They need to understand basic maths for that…So I mean it’s a fundamental.”

In a sense, basic literacy and numeracy skills are taken to be normal, and what the employer looks for in particular is what he terms attitude or “insight”. Interestingly, when asked to talk about this further he went on to describe what might be called communication skills:

It’s [insight] really, a sensitivity to the way people are in the environment. So, for example, being able to read body language, being able to feel what people – I mean part of it, you could almost say part of it is spiritual, but it’s not. It’s more about understanding people and how they tick. But [it’s] important for customers, incredibly important, but also important in a team environment. And people – you can employ a person who, within three months, if you’ve made a mistake, can have half the team running off in the other direction and have a really negative environment. I mean, that could be about personality too. You want to employ people who want to make the place better. The status quo is not good enough. So an insight into how people tick, to the mood of the place, and all those things.

Education/Training for Employment

This medium-sized business employer stated clearly that his business would not employ people who lacked literacy skills. Like large business employers, he suggested that such skills were the responsibility of the school system and of parents to see that their children were educated:

We’re not going to teach people to read in our environment, so if they can’t read or write we are not going to employ them. I think that’s the bottom line. So it’s a fundamental and it goes right back to school, doesn’t it? The three ‘Rs’. If you haven’t got them, you haven’t got anything.

The type of education that this employer took responsibility for in his business was training in the skills necessary for selling, product information courses, and customer service programmes such as Kiwi Host courses. The other area of responsibility this employer saw was with first aid and workplace safety training.

We have a tremendous responsibility [for education of staff]. I think we undervalue our need to be doing that.

Like large organisation employers, while this medium-sized employer stressed the importance of literacy skills to his business, he showed little awareness of or contact with adult literacy issues as constituting a major problem in the community. When asked if he was aware of literacy
providers in the area he first asked if this meant outside school and then acknowledged that he was not aware of adult literacy providers as it was of little interest to him.

When he was questioned about how NZQA standards meet the needs of his business, he acknowledged that while he had “twiddled” with the Qualifications Authority for a while, his business did not offer people the type of career path aimed for by NZQA. The employer stated that his business was primarily a retail business requiring good selling skills, rather than specialised subject knowledge:

It’s not a career path and, ironically, a lot of people who go into it thinking it’s a career path, they might go to do a Diploma or something at UCOL or Polytech, aren’t the people we want anyway…. Often the people who have the best skills because they’ve studied [in the area], aren’t the people who are going to be best at selling. In fact, they’re just poles apart. They’re often doing it because they love [the product] and often people who love [the product] with a passion don’t love people with a passion and we want people [customers]. The product is just a vehicle here to function as a good retail business…. We have to survive as a business and surviving as a business is about having good salespeople.

Part of being a good salesperson involved well-developed literacy skills that enable people to communicate effectively with the largely middle class customer base:

Having literacy skills is really important because you want to be able to articulate. You want to communicate. You want to use good English. This whole industry is about the middle/upper socio-economic group. It’s about people who are generally educated because they can afford to do so.

The large business employer

The large business employer who was interviewed employs a wide range of personnel to cover the diversity of services that his organisation provides. As he was interviewed by telephone, handwritten notes were used to record his comments rather than a tape recorder. The amount of direct quotes are therefore shorter than those from taped interviews.

Skills Shortages and Needs

This employer named the lack of adequate Government funding for apprenticeships as a real cause of skills shortages in Wanganui and districts. When asked what he thought the major skills shortages were, he did not think of particular jobs. He named “The basics… a poor grasp of reading, writing, and numbers” as the key issue for him. An employee in his sales department

...needs to be able to combine fractions of information, plan, and work to targets. They need to read, evaluate, think critically, and sell.
In the service department, an employee needs to be able to write clearly because a card has to be filled in outlining the fault and what is to be done. The item is then processed through several departments who add to the card, and finally it goes to the office where the customer’s account is prepared:

*Legibility and accuracy are crucial.*

Like the large employers in the focus groups, and the medium employer, what this employer looks for when hiring are personal qualities:

*I look for how a candidate comes across rather than ability with the 3 R’s.*

But this is not to minimise the importance of the 3 R’s. While some jobs do not greatly need the ability to read and write, in order to move further in the organisation, literacy skills were viewed as fundamental. This employer stated that his employees need to be able to understand manuals, engage in logical thinking to apply what they read there, and read and understand OSH regulations lest the company be liable for mishaps:

*Once upon a time, any school drop-out could [work for us]. Not so any longer!*

When asked about the relationship between literacy and workplace productivity, the response was that this was a question of level. He stated that in his experience, every job still needs “the basics” and the better educated and more literate an employee, the more they will be able to handle, hence the greater their career prospects in, and their value to, the organisation.

*Literacy and Communication Skills*

Literacy and communication skills are seen to be two very different skills by this large business employer. He is aware that literacy deficiencies can be hidden “very cleverly.” However, his business requires literacy skills from all employees at all levels in the organisation, so what is hidden is eventually found out. From here, the employee is encouraged, with the help of the company, to take responsibility and learn what they need to know in order to do their job:

*They [the employee] may soon become aware of what they need to know to do the job. This generates motivation, so we get them into workplace training.*

When this employer was asked if he experienced a difference between literacy and communication, his response was:

*Definitely! Literacy can be taught. It’s about brain functions, not intelligence. The more literate, the more people are able to think on their feet and think outside the square.*

While communication skills are thought to be something learned, or not learned, in the family culture, the company provides communication training to help employees deal positively with customers and colleagues.
Education/Training for employees

This employer had little confidence in the relevance of school curricula to the workplace. It was stated that while some young people slip through the system, others come out with skills that bear little relation to what is needed in the workplace.

Schools are not relevant to workplace needs. A school leaver can use a computer and not balance a budget. They can use computer programs and get into H.P. debt. Trade training though is of great value. Rather than get a new employee sweeping floors, send them off on a training program specific to their job, and get them oriented. This makes them more versatile in the early weeks of employment. The result is far more satisfactory for all concerned.

Employer responsibility for training is taken seriously because the business cannot function as a viable economic enterprise unless staff are fully equipped to handle what is required of them. But when asked what he would do if he became aware that an employee had what he would consider to be a shortage of literacy skills, this employer’s response was reminiscent of the small employers in recognising it is not without its challenges:

I think, ‘Poor bastard. You’re stuck with this one!’

To make any training work though, the employee needs motivation, a quality this employer so values, that he mentioned it several times. For this employer, the first task is to awaken the new employee’s interest, for where there is interest, the employee has the potential to excel. These thoughts derive from the employer’s own experiences:

If there is personal motivation, and they are not told to do it, they can! Where there is interest, they can excel. I did!

But here, socio-cultural barriers are encountered that were also discussed in the focus groups:

Too many young people have a ‘doesn’t matter’ attitude. Family attitudes may encourage them to go on an unemployment benefit if the job asks too much of them. There is no literacy encouragement at home, plus an attitude of ‘let the school do it’. They can sit for hours in front of a computer game, but can’t be bothered with Word or calculations. There is no concentration or self direction so they can’t be bothered working a budget or a plan. They don’t know how, procrastinate, so push tasks aside

Where there is a literacy issue for a staff member, this employer is firmly of the opinion that literacy can be taught where there is a personal motivation to learn. He believes that being told what to do does not work. Staff can be encouraged to attend night classes, but with no motivation, it will not work. What also does not work, in his opinion, is the lack of “practical application with literacy programs.” Expressed here is an energy to make any training practical, usable, and relevant to what is required of the employee in the organisation. It was not surprising therefore to hear him say:
As a business, we spend a lot on trade training, like sales, handling people, office work, stock management, Holidays Act training, sale productivity, motivational development… It’s all worth it, if the individual is motivated.

With this stance, this employer was firmly of the opinion that NZQA had no relevance to his workplace. All training, and all training standards and measurement are managed by the national parent company which is committed to continuous staff improvement programs. This policy is seen to work for staff members and for the organisation, but there is a downside that was heard from other large employers; it can lead to a loss of staff:

There are so many positives in up-skilling staff, but the negatives are, they go! You up-skill a service technician and he may look for a new job! We get around that by up-skilling inside their own product or service area with good results. But it is so important not to promote someone beyond their competency. It leads to disaster!

One-to-one Interview Conclusions

The findings from these interviews are congruent with those of the focus groups. There are certainly skills shortages in the area, but there are groups that remain largely under utilized, for example, people with a good work ethic and, potentially, women.

These employers, like those in the focus groups, value personal skills like reliability, motivation, and people skills for good customer service. However, one of the employers would not employ anyone who was low in literacy skills as these skills are essential to his business. This employer is of interest because he does not have difficulties in finding good applicants for his vacancies.

The employers in these interviews were not aware of any specific literacy providers in Wanganui though one made passing reference to possible “night classes.”

Conclusions and future directions

Like employers throughout New Zealand, Wanganui employers report, in general, experiencing a skills shortage and a lack of applicants to select from as a result of a tight labour market. This skills shortage is across the board from management or supervisory positions to secretarial or administrative staff. Employers in large-sized organisations look to import people nationally and internationally, and contract out trades work. Small-sized businesses look to attract school leavers, but suggest there are problems with the community benefit being nearly equivalent to entry-level wages. Only the medium-sized business employer in the sample described a range of good applicants to select from when advertising for staff. This may reflect the nature of his business. Alternatively, the business does not offer a career path as such so it may be seem to be a less competitive employment market for women applicants seeking either re-entry to the workforce or part-time work to supplement the family income. Such women may represent an under-utilised potential workforce.
Both small and large employers are affected by the transient nature of the youthful workforce in a provincial economy. Small business employers describe a lack of return on the investment they put into training school leavers who tend to stay for a limited time and then use their training as a springboard to move elsewhere. While one of the large employers indicated that his organisation regarded their training and career-path planning as a good investment in creating a loyal and motivated workforce, he agreed with another large employer that young graduates tended to move on out of the district after a few years because they perceived further career opportunities in the main centres.

All employers nominated forms of ‘work ethic’ or foundation skills as their primary requirement in employees. Aspects of this work ethic were various and were described as attitude, reliability, integrity, practicality, initiative, willingness to learn, insight, and adaptability. Small business employers who worked with a lot of school leavers described a work ethic as almost non-existent among young people. Large business employers who dealt with graduates were more concerned for adaptability, initiative, and future potential. The employers’ prioritising of work ethic forms a parallel with the results of the community survey of perceived employment needs (another aspect of the larger study), which similarly prioritised work ethic and foundation skills as important skills for employment in Wanganui and Districts.

Adult literacy, including numeracy, were acknowledged to be a major problem in the district. A Wanganui Enterprise Needs Analysis Survey found that “Wanganui did have a severe problem in terms of literacy and numeracy with companies reporting anything from 30-50% of applicants failing to meet the basic entry criteria”. It was also pointed out that whereas people had once been able to perform adequately in the workplace with limited literacy skills, this was no longer the case as a higher level of numeracy/literacy skills was now required to understand basic compliance issues. Despite such acknowledgements of the importance of adult literacy, it was evident that the employer groups in the sample had very different experiences and awareness of literacy issues in their specific workforces.

In dealing with so many school leavers, small-sized business employers tend to be at the coalface of adult literacy problems. They pointed to the cost to their businesses of employees who lacked literacy and numeracy skills. Such skills were seen to be the basis of effective communication and included giving and receiving instructions, messages and information, interpersonal customer relations, and both following and providing correct information about measurement and volume. There were clear indications that these employers expected people to already have such skills and they felt considerable frustration having to provide staff with detailed step-by-step written instructions or teaching basic mathematics. While they were open to specific on-the-job training, one employer suggested they should be subsidised for workplace training to compensate for the cost to the employer.

By contrast, the medium-sized business employer was very clear that literacy and numeracy skills were essential to his business and he simply would not employ people who lacked such skills. To ensure this did not happen he carried out a form of pre-screening, asking for handwritten letters of application and including numeracy problems in the interview process.
Most of the large-sized organisation employers in this sample were cushioned from adult literacy issues in the workforce because they were primarily concerned with employing graduates. They assumed a certain standard of literacy based on an applicant’s tertiary qualifications. At the same time, they pointed to the often poor mechanics of English displayed by graduates, particularly spelling and grammar. The large employer who does not employ graduates still needs “the basics” for accurate recording of information and notes that this is essential when an item to be serviced goes through several departments.

Significantly, most employers suggested that literacy problems are systemic; a sign of the failure of family and school systems to address the “basic needs.” Small employers claimed that such problems were not only systemic, but entrenched. They advocated that schools take a much more directive approach in preparing students for the workforce. Their position reinforces the view put forward by the employers’ representative of a lack of alignment between the school system, the tertiary system, government policy, and the New Zealand workforce. Linked to this view was the claim that the education system has done a disservice to young people by pushing them towards university rather than preparing them for trades or other forms of work that may better suit their abilities. It was further noted that current apprenticeship schemes are too theoretical and too complex to meet the needs of the declining trades workforce.

Employers did not see it as their responsibility to train people in basic literacy skills, although some small employers indicated that when dealing with a young person with a good work ethic, they did engage in teaching basic numeracy skills. There was much more willingness to provide specific on-the-job or vocational context training. For large employers in a tight labour market, up-skilling their internal workforce was seen as a good investment, particularly as it related to specific, identified competencies within the industry. For the most part, these large employers were concerned to provide their own internal programmes, although mention was made of forming a relationship with an ITO so that employees could gain transferable certificates. However, the employers’ representative suggested the difficulties of linking with ITOs in the provinces.

Overall, there was a general lack of understanding or appreciation of NZQA qualifications. The view was put forward that these qualifications were difficult for employers to understand as they presented no benchmarks, no 50% pass or fail. Similarly, unit standards in the new apprenticeship system contained a bewildering number of modules for employers to appropriately select from and deal with. It was suggested that there was too much emphasis on theory rather than on applied skills, and that NZQA units were not tied directly enough to the workforce situation and needs. There was a little more openness to the possibilities of the NCEA. These findings indicate a real need to both simplify the NZQA framework and to explain to employers how unit standards are relevant to their workforce.

A further point in relation to small business employers and government agencies is noteworthy. First, there is considerable resistance to considering job applicants sent from Work and Income because of a perceived lack of an attempt to match applicants with the employer’s requirements. This resistance is particularly evident towards some of the long-term unemployed. At the same time, the experience of one small employer in the sample, who was proactive in seek-
ing work from employers for the unemployed, suggests that there is an untapped pool of people within Work and Income with a good work ethic who are not being fully utilised. Moreover, these people were not generally seen to lack basic literacy skills.

Two findings in this report are of particular significance to issues surrounding literacy and employment. The first is that despite the acknowledgement of adult literacy as a major problem in the Wanganui district, there is limited awareness of the extent of the problem on the part of employers. As was found in another part of the project, the community survey, medium and large-sized organisation employers, like the general public, take literacy skills for granted and assume they are held by most adults. In contrast to small business employers, large and medium employers have not generally confronted the problem in their workplaces, other than through pre-screening to eliminate applicants with poor literacy skills. Given the current tight labour market, it becomes increasingly necessary for all employers to deal with adult literacy problems. The backing of middle and large employers is crucial to bringing about positive changes and advancement of adult literacy. While this backing is evident in many of the initiatives in the main centres it is equally important throughout New Zealand, and of specific importance to the Wanganui district.

The second related finding of significance is Wanganui employers’ lack of awareness of what is offered by education providers, and particularly literacy providers, in the area. In our view, the competitive nature of provider funding detracts from the resources and energies they have for publicising their programmes in the community. Employers in the sample clearly stated that where they actually knew of literacy programmes, they did not know how to select from the providers. Experiences with providers had been both positive and negative. Employers saw a primary need to identify the ‘right’ provider and to work with a provider who would carry through training with the individual to the workplace.

Further research is needed to investigate how better to publicise providers’ programmes and to strengthen employers’ sense of the alignment between providers and workplace needs.

This report dealing with employers’ perspectives is complementary to several other of the research activities being undertaken within the Wanganui Literacy and Employment programme. As noted earlier, the employers interviewed for this report represent a convenience sample, and may have been somewhat more interested in issues of literacy and communication in the workplace than other employers who did not volunteer to participate. Their perspectives, however, were a useful indicator of possible concerns that provided the team with insights into the salient issues, in the views of those interviewed.

Nevertheless, we have noted that key issues and themes identified in this section have also been evident in other strands of the research. These include concerns about systemic problems of preparing individuals for work expectations, and issues of coordination among governmental agencies and community literacy providers. Future reports will also attempt to provide interpretation of literacy issues on the basis of triangulated methods and analyses.
A feature of the current study was that strong commonality exists among interviewed employers’ views, with no evidence of very disparate perceptions among the issues covered. An E-survey of Wanganui employers has been designed and is being actioned presently. Results will add to our information on employers’ perspectives of literacy and employment issues.

While this report deals with employers’ perceptions in the first year-and-a-half of the literacy and employment research in the Wanganui area, it suggests some important future directions for the project. Most important is the need to create a greater awareness among employers as well as the general public of the extent of the adult literacy problem in the community. There is a need to foster stronger links and interactions between employers and providers. More research is needed to gain a greater understanding both of employers’ definitions of workforce literacies and the requirements of their business situations. Finally, it is important that employers across the range from SMEs to large organisations are listened to and that they have their contributions to issues surrounding literacy and employment recognised and acted upon.
Appendix A: Questions for Employer Focus Groups and Later Interviews

1. How aware are you of skills shortages in Wanganui and Districts? How do they affect you?
   
   Prompts:
   
   How do these skills shortages affect your company and how do you cope?
   
   What are some of the difficulties of bringing people in from elsewhere? Drawbacks?
   
   “How do ‘skills shortages’ limit your business opportunities?”

2. What are the skills that you look for (generally) when employing?

3. What do you see as the relationship between literacy and workplace productivity?
   
   Prompts:
   
   What do you understand by ‘literacy’?
   
   Do you see a difference between ‘literacy’ and ‘workplace literacy’?
   
   In your view, what are the relative merits of vocational training compared with literacy training programs?

4. In your experience, is there a difference between literacy and communication skills?
   
   Prompt:
   
   What are they?
5. If it is apparent that an employee has what you consider to be a shortage of literacy skills, what do you do?

Prompts:

What ways do you think literacy ‘deficits’ can be hidden from you?

How much responsibility do you think employers have for the education of staff (both old and new)?

6. How do literacy programs you know about fit the bill?

Prompt:

What’s a better way to do things/ what are better things to learn?

7. How well does NZQA seem to understand the needs of a business such as yours?