

Corporate Social Responsibility and Worker Skills: An Examination of Corporate Responses to Work Place Illiteracy¹

Claire J. Anderson

ABSTRACT. Using perceptions of human resource managers of top management's attitude toward corporate social responsibility, a survey of private sector firms ($n = 407$) revealed that over half of those that employed basic-skill deficient employees took legal or economic views of corporate social responsibility toward these workers. These attitudes were confirmed by organizational policies. Employers with social obligation tendencies were less likely to undertake proactive programs such as basic skill training, deskilling, or related supervisory training. Corporate philosophies were almost independent of organizational variables. One exception was manufacturing firms that were more likely to take a legal-economic view of illiterate employees; however, the relationship was weak. Little evidence was found that skill shortages or union pressures are resulting in corporate proactive programs. Implications for research and practice are discussed.

Over the past decade, academics and business leaders have decried the extent of illiteracy among U.S. workers. Issues ranged from lagging productivity, to anticipated drastic changes in the work force, to the inability of the U.S. school system to meet work place demands of growing technology and global competition.

Little research has addressed corporate social responsibility (CSR) attitudes toward worker illiteracy and employer-provided basic skill training. The purpose of this article is to investigate the corporate response to worker illiteracy. Specific

questions to be addressed are: (a) What are the views of top management concerning corporate involvement in literacy training for their employees? (b) Do these attitudes flow from organizational characteristics? (c) Is there a relationship between corporate philosophy and proactive measures to contend with worker illiteracy?

Background

Ostensibly, corporate social responsibility seriously considers the impact of a firm's actions on society (Bauer cited in Carroll, 1989, p. 26). Corporate social responsibility extends to all organizational stakeholders ranging from customers and employees to communities and stockholders. Although top officials rate employees among the most important of a firm's stakeholders, corporate actions appear to have fallen short in solving labor force problems. For the most part, employee CSR issues have been relegated to legal considerations and, to a lesser extent, to contemporary and highly visible matters such as employees displaced by downsizing or restructuring. Corporate programs that address employee basic skills have yet to be extensively examined despite continuing warnings of a mismatch between worker skills and work place demands.

Quality of work life

In the 1970s, U.S. employers instituted a number of programs to address the "meaninglessness of work" (Sturdivant, 1985, p. 230) and to improve employee quality of work life (QWL). QWL programs attempted to deal with the question of what workers want from their jobs. Organizational QWL inter-

Dr. Claire J. Anderson is Associate Professor at the College of Business Administration, Old Dominion University, Norfolk, Virginia. Her research interests include human resources management and organizational behavior as well as business ethics. She has published articles in a number of academic and professional publications.

ventions such as job redesign, quality circles, and participatory management have produced mixed results in terms of productivity and worker satisfaction (Organ and Bateman, 1991, pp. 314, 555).

A major impediment to most QWL programs is the fact that many jobs, at least in the short run, cannot be improved to any great extent. Thus, the remedy is to provide for "rapid advancement and to assume that nearly every employee will advance to a more challenging job fairly quickly." Consequently, workers need the opportunity "to develop skills and abilities which will enable them to assume increasingly significant and rewarding assignments" (Sturdivant, 1985, p. 239). Most firms provide some opportunity for advancement, yet many employees lack minimum skills to progress in their work careers.

Work force diversity

Work Force 2000, a 1987 study conducted by the Hudson Institute for the Department of Labor, predicted drastic changes in the U.S. work force in the coming decade. According to this report, future new job entrants will be drawn primarily from traditionally less favored groups such as blacks, hispanics, and immigrants, most of whom do not speak standard English at home. These workers most likely will be high school drop outs, have had poor school performance, and lack the language and mathematical skills needed in today's industry. One fact is becoming painfully apparent: work place illiteracy is dividing society into a class of "haves" and "have nots." Robert Feagles, Senior Vice President, Travelers Insurance Company noted, "The issue of functional illiteracy lies coiled at the center of our unemployment problems, and it threatens this country's ultimate ability to succeed in the world market" (cited in Sturdivant, 1985, p. 241).

A 1990 report from the Department of Education of 20 years of educational test results gave U.S. industry little cause for rejoicing. Fewer than 10% of the nation's high school seniors were found to have the skills necessary to perform demanding jobs or to do college work (Bacon, 1990).

In the 1990s, demographic trends and the demand for more skilled workers are "on a collision course with the quantity and quality of the labor supply"

(Carnevale and Goldstein, 1990). As older workers retire, the labor supply decreases, and the labor force becomes more diverse, training will be central to addressing the skill level gaps between work force entrants and available jobs (Carnevale and Goldstein, 1990).

Many reports suggest that worker illiteracy is becoming a major problem. New job applicants lack basic skills (Ross, 1986) and some firms have had to institute programs to teach basic skills to their present employees (Skagen, 1986; Wiggernhorn, 1990). Employers reported problems with clerical errors (Goddard, 1987), scrap (Skagen, 1986, p. 22), and poor work quality (Lee, 1986). Still others expressed concern over potential on-the-job accidents from a humanitarian viewpoint and as a potential source of litigation against the employer (Sand, 1984). Unions also voiced concern over rapid technological change that often renders the skills of older, longer-tenured workers obsolete (Browne, 1986).

Corporate attitudes

A recent poll found almost two-thirds of the CEOs of some of America's largest firms felt that improving education was one of the most important steps American government or business can take to improve the quality of the U.S. worker. Over 90% of the surveyed CEOs reported that they were spending more on educating employees today than they did in 1980 and "almost all were committed to the idea that corporations must step in and help educate workers because government hasn't been up to the job" (Kirsch, 1990). Although education is a primary target of corporate philanthropy (39%) (Platzer, 1986), most contributions go to colleges and universities (Carroll, 1989, p. 313).

An American Management Association survey of 6,000 managers (Posner and Schmidt, 1984) measured attitudes concerning the relative importance of major corporate stakeholders. Employees were ranked second only to customers and well above owners, the general public, and stockholders. Still, the extent to which these attitudes are carried into action varies widely. While corporate America has given generously to education, positive action to increase the nation's pool of trained personnel and to

cope with worker basic skill deficiencies is still lacking. Although various estimates exist, a consensus holds that U.S. business spends as much or more for training than spent by the nation's publicly-financed colleges and universities (Starling, 1988, p. 210). Most of the well-publicized corporate investment in training went to higher level and better educated employees. Carnevale and Gainer (1989, p. 2) reported that employees with two years of formal education beyond high school have a 20% greater probability of getting training on the job than high school graduates. For college graduates, the probability increases to 50%. A similar report (Hoerr, 1990) revealed that front line workers in factories, stores, and offices receive little or none of the touted large investment of business in employee training. This study noted that as little as 10% of all training expenditures goes to blue-collar programs. The dearth of such programs is often overshadowed by a few well-publicized corporate literacy programs by firms such as General Motors and Motorola (Skagen, 1986; Wiggernhorn, 1990).

Measuring corporate social responsibility

To study corporate social responsibility, a taxonomy of socially responsible action is needed. Several conceptual schemes have been developed to describe a continuum of action ranging from assuming an obligation to taking a proactive stand toward social needs (Carroll, 1989, pp. 30–33; Fisher, 1983; Keim, 1981; Miles, 1987, pp. 8–11; Sethi, 1979; Starling, 1988). Almost all classifications include required (legal and economic), expected (ethical), and desirable (discretionary) responsibilities.

Rothwell and Brandenburg (1990b, p. 54) suggested that corporate support to solve employees' basic skill problems rested in awareness of basic skills deficiencies, culture, and dominant coalitions — do top managers favor efforts to correct basic skill problems? They observed, “most managers have some opinions, whether clearly articulated or not, about the appropriate role of their organization in society” (p. 64). The authors further suggested that top management opinions can generally be categorized into three groups as suggested by Sethi (1979).

Sethi's (1979) analytical framework allows com-

parison of corporate responses to social pressures in varying contexts and environments. His three-stage classification includes: (a) social obligation, (b) social responsibility, and (c) social responsiveness. The social obligation view confines legitimacy to legal and economic criteria. The organization takes action on social issues only when compelled by government or economic necessity and construes social accountability narrowly to stockholders. The social responsibility view recognizes that organizations have a role to play in improving society; however, such firms are more likely to be interested in supporting highly visible activities directly related to the firm's purpose such as literacy for book publishers, starvation for food processors, and for special need youngsters for fast food firms. This view also construes social accountability narrowly for legal purposes but broadens the view to include those affected by the firm's actions. Sethi argued that while the concept of social obligation is proscriptive in nature, social responsibility is prescriptive in nature. His social responsiveness category applies to firms that make an effort to plan explicitly for social improvements (e.g., AIDS, drugs, and assistance to education). These firms are willing to account for their actions to other groups, even those not directly affected by the firm's action. Sethi characterizes such firms as taking “anticipatory” and “preventive” action.

Past studies hold that a relationship exists between an attitude and behavior (Teoh and Shiu, 1990), thus the attitudes of CEOs toward worker illiteracy should be a predictor of investment in remedial programs. Still, the attitude-behavior link is far from clear. Ajzen and Fishbein (1977) proposed that merely measuring a general attitude was not enough to predict a behavior. What needed to be measured was the attitude toward performing a behavior rather than an attitude toward the behavior itself. Thus while CEOs may lament worker illiteracy, they may or may not take remedial action for many reasons such as cost, historical practices, work force availability, organizational culture, or the firm's philosophy concerning corporate social responsibilities.

The attitude-behavior link may be further moderated by the organization's characteristics. Technology has vastly affected almost all but the lowest level jobs, but in varying degree. Changes in manufacturing generate conditions in which workers need higher level skills such as reading blueprints, graph-

ing numbers, and understanding the logic of statistical process control (Berney, 1988). Local unemployment rates should further affect the decision to hire or retain basic-skill deficient workers. Given the expressed concerns of organized labor, unionized firms might be more inclined to provide training for workers lacking basic skills.

Few studies have examined organizational size as a contributory factor in corporate social responsibility. Cowen *et al.* (1987) explored the relationship between the type of social responsibility disclosures and corporate characteristics. The researchers found no relationship between human resource disclosures and organizational size and industry category. Preston *et al.* (1978) reviewed studies of corporate performance in human resources development in Germany, France, and Canada. Although the three studies varied in terms of coverage, method, and objectives, organizational size emerged as a major factor in each stage of corporate social involvement. However, differences associated with size were not all in one direction. In two significant areas – the relative importance of women in management and the magnitude of corporate philanthropy relative to size – smaller (but still relatively large) firms outperformed the giants. Data from these three non-U.S. firms revealed that larger firms were more likely to invest in employee basic skill training. Bishop (1982) found the importance placed by employers on training (in terms of average hours spent in formal training activity in the first three months on the job) tended to increase with the size of the firm. Larger firms, by virtue of resources, may be better equipped to identify and remedy skill deficiencies. Yet, smaller organizations (fewer than five hundred employees) may be in greater need of basic skills training as these firms account for almost one half of all jobs in the economy and 40% of newly created jobs (Hamilton and Medoff, 1988). Further, smaller employers are more likely to draw their employees from populations that need training most (Carnevale *et al.*, 1990).

Method

The sample was drawn from a prior study of work place illiteracy that used a random sample of the 42,000 members of the Society of Human Resource

Management (SHRM). The sample excluded foreign-based members and other members not directly involved in human resource management such as consultants, students, and faculty.

Definition

In the past, illiteracy has been defined as the inability to read or write or reading and writing abilities at some standard grade level. Definitions of this nature are no longer useful as literacy must be defined in terms of skills to cope with everyday work activities (Torrence and Torrence, 1987). Thus each work place needs its own definition of literacy (Skagen, 1986, p. 19).

A pilot study ($n = 128$) revealed that employers reacted negatively to the term “illiterate.” The respondents felt that the term cast aspersions on many highly-motivated, highly-skilled workers, and still other workers whose native language was not English. Consequently, the term “illiteracy” was replaced by the term “requisite minimal basic skills” although the definition remained identical to that of the pilot study. Throughout this study the terms “illiterate” and “basic-skill deficient” will be used interchangeably. The questionnaire used the following situational definition of “requisite minimal basic skills.”

The ability to use printed and written information to function effectively on the job. This includes the ability to read, write, and comprehend the English language and perform needed computational skills.

Instrument

The instrument was a 41-item check-off and Likert type questionnaire. The instrument was designed to determine the extent of worker illiteracy, management's attitudes concerning worker illiteracy, and problems encountered in employing of and methods of coping with employee basic skill deficiencies.

Respondents were asked to categorize the attitudes of top managers using Brandenburg's (1990a) measurement of attitudes toward basic skill deficiencies. Human resource managers' opinions of management's views were felt more useful than a direct

measure of management's beliefs for two reasons. First, the procedure avoided socially desirable responses. Second, human resource managers were in a position to evaluate management's views given corporate employment policies and training budgets.

Findings

The initial sample consisted of 3,700 questionnaires. After accounting for those returned as undeliverable and discarding replies from respondents in public employment and those who were not currently employed in human resource management, the 1,011 completed questionnaires from the private sector accounted for a response rate of 28%. Respondents were a virtual mirror image of the characteristics of SHRM in terms of organizational location and size and age, gender and human resource management experience of respondents ($p > 0.30$). Organizational characteristics of union status and local unemployment rates compared favorably with national data ($p > 0.40$). Finally, a non-response bias test was employed using Oppenheim's (1966) "early/late hypothesis" that suggested late respondents are sometimes roughly similar to nonrespondents. Comparing the first 20% and the last 20% of questionnaires received, no differences were found in any of the characteristics of early and late respondents ($p > 0.10$).

Of the 1,011 respondents, 636 reported they employed basic-skill deficient employees for a variety of reasons. First, some employers ($n = 49$) were aware of worker basic skill deficiencies at the time of hire. In this case, workers were employed for low-level jobs requiring few, if any, language or computational skills. For the most part, these positions were "dead-end" jobs. A second set of firms ($n = 401$) had basic skill-deficient workers presently on the job for other reasons. Here, the major underlying issue was changes in technology that produced job requirements that outstripped workers' skills. Other illiterate workers "masked" their deficiencies or the deficiencies did not come to light until the employee was considered for promotion. Still other instances resulted from poor hiring or screening practices or overreliance on education credentials. The remaining 186 respondents represented the more complex circumstance of a combination of both situations. To

insure that these categories were not an artifact of the questionnaire, respondents were asked if they contracted for services requiring primarily unskilled labor (such as housekeeping or food service). No significant differences were found among the three groups as far as use of contract services (Chi-square = 2.63, d.f. = 2, $p > 0.20$).

Table I contains the questions used to measure corporate social views about work place illiteracy; Table II contains a classification of responses using Sethi's (1979) categories. Due to multiple responses, some overlap of categories was encountered. The overlap of responses was felt to be valid as Sethi's taxonomy describes an evolutionary rather than a discrete set of corporate philosophies.

Of the 636 respondents, 207 replies were eliminated because respondents either offered no opinion or stated that they did not know the views of top management. Respondents who reported opinions in all three social responsibility categories ($n = 22$) were also excluded as these responses appeared contradictory. Analysis of the excluded respondents

TABLE I

Measures of corporate social views about basic skills training-questions posed to corporate human resource managers

Question

How would you characterize the opinion of top management in your organization about training and employees lacking basic skills?

- They don't believe there is a problem (validating item).
- They believe there is a problem and that many in the organization are affected (validating item).
- They believe the organization should "screen out" applicants with these problems (proscriptive).
- They believe the organization should rid itself of those with basic skill deficiencies (proscriptive).
- They believe that such training is properly the responsibility of the school system and government (proscriptive).
- They believe that the organization will benefit if employees are offered basic skills training (prescriptive).
- They believe the organization has an obligation to society to help solve basic skill deficiencies (anticipatory and preventive).

Adapted from Rothwell and Brandenburg (1990a).
Used with permission.

TABLE II
Responses by category of social responsibility ($n = 636$)

Category	Number
Proscriptive only	205
Proscriptive and prescriptive	43
Prescriptive	92
Proscriptive/prescriptive/preventive	22
Anticipatory/preventive and prescriptive	44
Anticipatory/preventive	23
Don't know or no opinion	207

($n = 229$) failed to find any significant differences from the included respondents ($n = 407$) in terms of all available organizational variables of size, local unemployment rate, location, union status, and type of organization based on a dichotomy of service and manufacturing ($p > 0.30$). Also, no significant differences were noted between the two in terms of characteristics of the individual respondents of gender, age, and years in the field of human resource management ($p > 0.50$). Table III contains a description of organizational characteristics of the responding firms used in the study.

Analysis corroborated the perceptions of the human resource managers by comparing the five categories of social responsibility to two questions that addressed perceived beliefs of top management concerning the gravity of employee illiteracy in the organization (Table IV). The Rothwell and Brandenburg (1990a) instrument, though not specifically suggested by the authors to measure Sethi's (1979) categories, yielded consistent responses. Respondents who reported their top management to hold a proscriptive view thought that top management does not believe that illiteracy is a problem (Chi-square = 20.81, d.f. = 1, $p < 0.001$, coefficient of contingency = 0.22²). Similarly, respondents who believed their top management held views toward the anticipatory/preventive end of the scale also thought that these managers believed that illiteracy was a problem and many in the organization were affected (Chi-square = 63.1, d.f. = 4, $p < 0.001$, coefficient of contingency = 0.36).

The next step was to determine if corporate views were a function of organizational characteristics. As the variables were primarily nominal, Chi-square

TABLE III
Organizational characteristics of respondents ($n = 407$)

Business		Union status	
Manufacturing	44.2%	Non-union	70.1%
Service	55.8	Union	29.9
Location		Local unemployment rates	
Northeast	17.8%	1% or less	6.6%
North mid-west	27.4	2–3%	32.6
Northwest	7.8	4–5%	29.6
Southeast	23.2	6–7%	21.9
South mid-west	11.2	8–9%	6.0
Southwest	12.5	10% or more	3.3
Number of employees			
< 51	1.8%		
51–250	14.6		
251–500	15.2		
501–1000	10.4		
1001–2500	15.7		
2501–5000	10.6		
5001–10,000	9.1		
> 10,000	22.7		

analysis was used to investigate the relationship between social responsibility views and measures of organizational location, union status, local unemployment rates, size, type of business (using a manufacturing-service dichotomy), and reason for employing basic-skill deficient employees.

Only one organizational variable was found significant in corporate social views and the relationship was weak. Smaller organizations and manufacturing firms were more inclined to a social obligation view (Chi-square = 39.41, 12.27; d.f. = 24, 4; $p < 0.02$, < 0.01 respectively). But, the variable of size was insignificant when manufacturing and service organizations were tested separately. While the link of corporate social views to manufacturing organizations was statistically significant, the explanatory power was weak yielding a contingency coefficient of 0.17.

Organizations holding social obligation views faced a complex range of worker illiteracy problems. These firms were more likely to have initially hired illiterate employees for very low-skill jobs and also had other skill deficient employees in jobs that either

TABLE IV

Human resource managers' assessment of top management beliefs concerning problems of illiteracy in the organization, $n = 407$

Question 1: Top management doesn't believe there is a problem.				
	Yes	No	Chi-Square	d.f.
Proscriptive	29	176		
All others ^a	3	199	20.81*	1
Question 2: Top management believes a problem exists and many in the organization are affected.				
	Yes	No	Chi-Square	d.f.
Proscriptive	11	194		
Proscriptive/prescriptive	12	31		
Prescriptive	19	73		
Prescriptive/anticipatory and preventive	23	21		
Anticipatory/preventive	4	19	63.10*	4

* $p < 0.001$.

^a Categories combined due to small numbers.

presently demanded or soon will demand greater skills (Chi-square = 38.48, d.f. = 8, $p < 0.001$, coefficient of contingency = 0.30).

Perceptions of organizational attitudes toward employment of basic-skill deficient employees were consistent with Sethi's (1979) classification (Table V). The gravity of work place illiteracy was clear; yet, the relationship of organizational concern to CSR attitudes was "U" shaped. Respondents with proscriptive and preventive views reported less concern about the gravity of work place illiteracy ($F = 5.92$, $p < 0.01$). This probably was indicative of the divergent paths taken by those holding social obligation views and those holding socially responsive attitudes to remedy the problem. The former took proscriptive action and the latter chose a prescriptive and anticipatory stand. No significant differences existed concerning the future need for employees with limited language and numeric skills in the short run ($F = 0.49$, $p = \text{n.s.}$). Yet, employment practices differed widely. Firms with proscriptive viewpoints reported more problems in promoting employees

who lack basic skills ($F = 2.02$, $p < 0.05$). Socially responsive firms reported fewer problems in effective performance feedback for illiterate workers as opposed to those with proscriptive and prescriptive views ($F = 2.51$, $p < 0.05$). For an employee to be effective and progress on the job, consistent and continual feedback on performance is needed. Firms with a social obligation orientation were less inclined to provide even first level accommodations for skill-deficient employees such as job and work systems simplification ($F = 2.93$, 3.75; $p < 0.02$, 0.01 respectively).

Organizational experiences in employing basic-skill deficient employees were also consistent with Sethi's (1979) classification (Table VI). Forty-one percent ($n = 169$) of the respondents expressed concern over poor client service. Few ran into literacy related difficulties with EEO programs ($n = 50$) and even fewer reported trouble with on-the-job accidents ($n = 41$). Thirty-two percent ($n = 130$) reported communication problems resulting from illiteracy. No significant differences were found among CSR views concerning potential problems of poor service, on-the-job accidents, EEO impact, and communicating company rules and policies ($F = 0.66$, 1.76, 1.18, 0.81 respectively, $p = \text{n.s.}$); however, organizational responses differed. It was not uncommon for employees to be discharged for poor performance resulting from basic skill deficiencies ($n = 199$ or 49% of sample). Organizations holding proscriptive views were more likely to resort to discharge to contend with basic-skill related poor performance ($F = 3.05$, $p < 0.02$). As might be expected, proscriptive employers provided fewer proactive programs such as worker literacy training and training supervisors to recognize and cope with illiteracy problems and worker literacy training ($F = 3.94$, 6.39; $p < 0.01$, 0.001 respectively). Forty-three percent ($n = 177$) trained supervisors to recognize and cope with worker illiteracy but basic skills training was not as extensive. Less than 40% ($n = 160$) of the respondents offered any form of basic skill training despite a very broad definition of basic skill training. In this study, "basic skill training" was defined as any organizational effort to help illiterate employees upgrade their skills. This ranged from referral to an educational institution or tutor to an in-house basic skill training program provided during paid work time.

TABLE V
Attitudes toward employment of basic-skill deficient employees. One-way analysis of variance. A five-point Likert scale ranging from strongly agree (1) to strongly disagree (5), $n = 407$

Social responsibility scale (number of respondents)	Proscriptive (Obligation) (205)	Prescriptive Proscriptive (43)	Prescriptive (Responsibility) (92)	Prescriptive Preventive (44)	Preventive (Responsive) (23)	F-ratio (d.f. = 406)
Our organization has a problem with illiteracy on the job.	1.45	1.07	1.03	1.07	1.73	5.92***
Our organization anticipates that the need for employees with limited language skills will decrease in the next 3–5 years.	3.07	3.11	3.11	2.82	3.35	0.49
We rarely are able to promote employees who lack minimal basic skills.	1.76	1.95	2.01	2.06	2.08	2.02*
Employee lack of minimal basis skills is an impediment to effective performance appraisal feedback.	2.31	2.30	2.52	2.33	2.86	2.51*
We have simplified job requirements such that they can be performed by those who lack skills in reading, writing, and computation.	3.77	3.46	3.39	3.36	3.27	2.93**
We have redesigned work systems to the extent that the need for basic reading, writing, and computational skills is now limited to a small number of workers.	3.56	3.03	3.07	3.13	3.28	3.75***

* $p < 0.05$.

** $p < 0.02$.

*** $p < 0.01$.

Discussion

Using judgments of human resource managers as a source of the data, the majority of top managers of surveyed firms were perceived to rely on legal and economic criteria to contend with worker illiteracy. Human resource managers believed that their top officials thought basic-skill deficient workers should be screened out, the firm should rid itself of such

workers, and basic skill training is properly the responsibility of school and government. Attitudes were evident in practice. Firms with social obligation views offered few proactive solutions to the illiteracy problem. They were less likely to provide training for basic-skill deficient employees or their supervisors and refrained from taking basic steps to accommodate illiterate workers such as job or work systems simplification (deskilling). While deskilling

TABLE VI

Problems encountered and remedies used in the employment of basic-skill deficient employees. One-way analysis of variance. A dichotomy of yes (1) and no (0) answers, $n = 407$

Social responsibility scale (number of respondents)	Proscriptive (205) (Obligation)	Proscriptive (43)	Prescriptive (92) (Responsibility)	Prescriptive (44) (Preventive)	Preventive (23) (Responsive)	F-ratio (d.f. = 406)
Employee lack of basic skills may lead to errors resulting in poor client service.	0.41	0.41	0.46	0.32	0.48	0.66
Employee inability to read and fully comprehend the English language has resulted in on-the-job accidents.	0.08	0.14	0.12	0.18	0.00	1.76
Our EEO program has been affected adversely by lack of minimum basic skills.	0.15	0.07	0.12	0.04	0.13	1.18
We have experienced problems with employee inability to understand company rules and policies.	0.30	0.36	0.32	0.43	0.28	0.81
Some workers have been discharged due to poor performance resulting from basic skill deficiencies in reading, writing, and computation.	0.54	0.55	0.34	0.52	0.43	3.05*
We provide basic skills training for our employees.	0.19	0.53	0.56	0.70	0.71	3.94*
We train our supervisors to recognize and cope with illiterate workers.	0.30	0.55	0.55	0.64	0.52	6.39***

* $p < 0.02$.

** $p < 0.01$.

*** $p < 0.001$.

is often an outcome of technology (e.g., bar coding), many hold that deskilling is a short range strategy as it potentially creates a new set of dead-end jobs for illiterate employees. However, in this study, the firms taking proscriptive views of worker illiteracy neither trained worked nor deskilled jobs. Socially responsive employers were far more sympathetic and proactive toward problems arising from worker

illiteracy. Regrettably, these firms constituted a small percentage of the sample.

Differences in corporate philosophies and practices were found virtually independent of labor force and organizational characteristics. Neither unions nor local labor shortages had any impact on corporate views. The findings also dispelled the notion that larger firms, with greater resources, are more

willing to accommodate illiterate workers. A great deal has been said about innovations in manufacturing, yet manufacturing firms took short-term views. In addition to the data gathered in the structured questionnaire, write in comments made it clear that "there will always be a need for low-level employees," or "our employees don't need training, they package breakfast cereal."

Paradoxically, firms with the most complex mix of illiterate employees were also more likely to take a proscriptive stand. These firms not only hired illiterates for low-skill jobs but also had difficulty with other basic-skill deficiencies arising from a variety of reasons such as present or future changes in job skill requirements. Yet, firms reporting proscriptive attitudes were far less likely to provide basic skill training.

Worker literacy training poses potential for business to engage actively in solving serious social problems. The findings of this study hint that work force diversity has yet to have any impact on employment practices. Equal Employment Opportunity legislation appears ineffective in combatting minority employment problems arising from high school dropout and other illiteracy problems.

An organization's potential for "doing well by doing good" is apparently not a popular idea at least as far as literacy training is concerned. Part of this may be attributed to short range views and concern over the "bottom line." While CSR and financial effectiveness need not be antithetical, the relationship between the two is yet to be established (Aupperle *et al.*, 1985; O'Neill *et al.*, 1989; Zahra and LaTour, 1987).

While no evidence has been found linking literacy training and corporate financial performance, some consensus exists about the benefits of a literate work force. The need for a critical, creative, and productive work force is clear. Japan's blue-collar workers can interpret advanced mathematics, read complex engineering blueprints, and perform sophisticated tasks on the factory floor far better than U.S. blue collar workers (Nussbaum, 1988). Improving the access and mobility of people in organizations is still another issue. Employment is a critical part of one's personal identity. Further, a worker's standard of living is directly affected by the organization's employment policies. Finally, literacy programs involve potentials for self-actualization and economic

democracy for many American workers (Collins, 1989).

Corporate actions may belie statements of corporate responsibility. Broad statements of corporate responsibility become less credible in the light of organizational behaviors. While no organization can be expected to employ workers who need extensive basic-skill training to qualify for a position, two issues should be considered. First, skill needs are drastically changing and any change in the U.S. school system will have no impact for at least two decades. Second, many very low skill jobs exist today and illiterate employees may be effective in such employment. But, organizations should reconsider their role to provide upward mobility to these workers.

The human resource function holds great potential for business to take proactive steps if for no other reason than to ward off future government intervention and regulation. Organizations are facing increasing government intervention for the simple reason that business did not respond to changing social values. This is evident in recent employment legislation concerning AIDS, employee privacy, drug testing, and smoking in the work place to name but a few. Even worker illiteracy is a target for legislation. In 1990, two state legislatures were considering statutes to give illiteracy the same protection as physical handicaps. The bills would prohibit firing or discriminating against illiterate employees if they enroll in literacy programs (Keen, 1991).

The findings must be qualified considering methodology and sample. First, the findings were reported perceptions of the views of top management, not the expressed views of CEO's. While the methodology might eliminate socially acceptable replies on the part of CEOs, a word of caution must be exercised in generalizing the findings as many respondents (207 of 636 replies) offered no opinion or stated that they did not know the views of top management. Second, the methodology did not attempt to measure the extent of illiteracy in an organization but whether the organization was aware of illiteracy in its work force. Third, the respondents were human resource managers who were members of the Society of Human Resource Managers. The membership includes primarily larger firms. This disparity may understate the issue as small businesses that are primary employers of basic-

skill deficient employees are almost non-existent in the sample.

Illiteracy is just one of many potential areas for future research as far as organizational CSR is concerned. Given the history of government intervention into employment practices, organizational human resource policies need more attention from CSR researchers beyond compliance with the law.

Notes

¹ Data for this article were drawn from a study jointly sponsored by Commerce Clearing House and the Society for Human Resource Management.

² The coefficient of contingency is a rough and conservative index of the strength of the relationship (Kerlinger, 1986, p. 158).

References

- Aupperle, K., A. Carroll and J. Hatfield: 1985, 'An Empirical Examination of the Relationship Between Corporate Social Responsibility and Profitability', *Academy of Management Journal* **28**, pp. 449–451.
- Ajzen, I. and M. Fishbein: 1977, 'Attitudes-Behavior Relations: A Theoretical Analysis and Review of Empirical Research', *Psychological Bulletin* **84**, pp. 888–918.
- Bacon, K. H.: 1990 (Sept. 27), 'U.S. Says Students Often Lack Skills for College or Jobs', *The Wall Street Journal*, p. A1.
- Berney, K.: 1988 (Oct.), 'Can Your Workers Read?', *Nations Business* **76**, pp. 26–28, 30, 32, 34.
- Bishop, J.: 1982, *On the Job Training in Small Business* (U.S. Small Business Administration, Washington, D.C.).
- Browne, N.: 1986 (Winter), 'Education: Today's Bread-and-Butter Issue for America's Unions', *Social Policy*, pp. 35–39.
- Carnevale, A. and L. Gainer: 1989, *The Learning Enterprise* (GPO, Washington, D.C.).
- Carnevale, A., L. Gainer and J. Vilett: 1990, *Training in America* (Jossey-Bass, San Francisco).
- Carnevale, A. P. and H. Goldstein: (1990), 'Schooling and Training for Work in America: An Overview', in L. A. Ferman, M. Hoyman, J. Cutcher-Gershenfeld and E. J. Savoie (eds.), *New Developments in Worker Training: A Legacy for the 1990s* (IRRA, Madison Wisconsin), pp. 25–54.
- Carroll, A. B.: 1989, *Business and Society: Ethics and Stakeholder Management* (South-Western Company, Cincinnati, OH).
- Collins, S.: 1989 (Summer), 'Workplace Literacy: Corporate Tool or Worker Empowerment?', *Social Policy*, pp. 26–30.
- Cowen, S. S., L. Ferreri and D. Parker: 1987, 'The Impact of Corporate Characteristics on Social Responsibility Disclosure: A Typology and Frequency Based Analysis', *Accounting, Organizations and Society* **12**, pp. 111–123.
- Fisher, D.: 1983, 'Strategies Toward Political Pressures: A Typology of Firm Responses', *Academy of Management Review* **8**, pp. 71–78.
- Goddard, R.: 1987 (Dec.), 'The Crisis in Workplace Literacy', *Personnel Journal* **66**, pp. 73–81.
- Hamilton, J. and J. Medoff: 1988 (Apr. 24), 'Small Business Monkey Business', *The Washington Post*, p. D2.
- Hoerr, J.: 1990 (Sept. 24), 'With Job Training, A Little Dab Won't Do Ya', *Business Week*, p. 95.
- Keim, G.: 1981 (Spring), 'Foundations for a Political Strategy for Business', *California Management Review* **24**, pp. 41–48.
- Keen, C. D.: 1991 (Apr.), 'Is Illiteracy a Protected Handicap?', *HR News, Society for Human Resource Management*, p. 6.
- Kerlinger, F. N.: *Foundations of Behavioral Research*, 3d ed. (Holt, Rinehart and Winston, Orlando, Florida).
- Kirsch, S. L.: 1990 (Oct. 22), 'How to Make Workers Better', *Fortune*, pp. 75–77.
- Lee, C.: 1986 (Sept.), 'Literacy Training: A Hidden Need', *Training*, pp. 64–68, 71–72.
- Miles, R.: 1987, *Managing the Corporate Social Environment* (Prentice Hall, Englewood Cliffs, NJ.).
- Nussbaum, B.: 1988 (Sept. 19), 'Needed: Human Capital', *Business Week*, pp. 100–103.
- O'Neill, H. M., C. B. Saunders and A. D. McCarthy: 1989, 'Board Members, Corporate Social Responsiveness and Profitability: Are Tradeoffs Necessary?', *Journal of Business Ethics* **8**, pp. 353–357.
- Organ, D. W. and T. S. Bateman: 1991, *Organizational Behavior*, 4th ed. (Irwin, Homewood, Illinois).
- Oppenheim, N.: 1966, *Questionnaire Design and Attitude Measurement* (Basic Books, New York).
- Platzer, L. C.: 1986, *Annual Survey of Corporate Contributions* (The Conference Board, New York).
- Posner, B. and W. Schmidt: 1984, 'Values and the American Manager: An Update', *California Management Review* **26**, p. 206.
- Preston, L. E., F. Rey, and M. Dierkes: 1987, 'Comparing Corporate Social Performance Germany, France, Canada, and the U.S.', *California Management Review* **20**, pp. 40–49.
- Ross, I.: 1986 (Sept. 19), 'Corporations Take Aim at Illiteracy', *Fortune*, pp. 48–54.
- Rothwell, W. J. and D. C. Brandenburg: 1990a, 'Solutions to Literacy Deficiencies in the Workplace: A Survey of Current Practices', *Performance Improvement Quarterly* **3**(2), pp. 16–28.

- Rothwell, W. J. and D. C. Brandenburg: 1990b, *The Workplace Literacy Primer: An Action Manual for Training and Development Professions* (The HRD Press, Inc., Amherst, MA).
- Sand, R.: 1984, 'Current Developments in OSHA', *Employee Relations Law Journal* **10**, p. 30.
- Skagen, A.: 1986, *Workplace Literacy: AMA Management Briefing* (The American Management Association, New York).
- Sethi, S. P.: 1979, 'A Conceptual Framework for Environmental Analysis of Social Issues and Evaluation of Business Response Patterns', *Academy of Management Review* **4**, pp. 63–74.
- Starling, G.: 1988, *The Changing Environment of Business*, 3d ed. (PWS-Kent, Boston).
- Sturdivant, F. D.: 1985, *Business and Society*, 3d ed. (Irwin, Homewood Illinois).
- Teoh, H. Y. and G. Y. Shiu: 1990, 'Attitudes Toward Corporate Social Responsibility and Perceived Importance of Social Responsibility Information Characteristics in a Decision Context', *Journal of Business Ethics* **9**, pp. 71–77.
- Torrence, D. R. and J. A. Torrence: 1987 (August), 'Training in the Face of Illiteracy', *Training and Development Journal*, pp. 44–48.
- Wiggenhorn, W.: 1990 (Jul.-Aug.), 'Motorola U: When Training Becomes an Education', *Harvard Business Review*, pp. 71–83.
- Zahra, M. S. and M. LaTour: 1987, 'Corporate Social Responsibility and Organizational Effectiveness: A Multivariate Approach', *Journal of Business Ethics* **6**, pp. 459–468.

Old Dominion University,
Management Department,
College of Business and Administration,
Norfolk, VA 23529-0223, U.S.A.