

KEY FINDINGS

ARE THEY REALLY READY TO WORK?

Employers' Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce



THE CONFERENCE BOARD



PARTNERSHIP FOR
21ST CENTURY SKILLS



CORPORATE VOICES
for WORKING FAMILIES



SOCIETY FOR
HUMAN
RESOURCE
MANAGEMENT

Key Findings

Background

U.S. companies are competing in an ever-increasing global marketplace where workers must transition from an industrial to a knowledge-based economy. But just as employers need decades of institutional knowledge to meet the challenges of the global business environment, the baby boom generation—the most experienced workers with the greatest knowledge and skills—are retiring. Given the urgent need to find skilled professionals, The Conference Board, Corporate Voices for Working Families, The Partnership for 21st Century Skills, and the Society for Human Resource Management conducted a survey, *Are They Really Ready to Work? Employers' Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce*, to gain a better understanding of the readiness of new entrants to the workforce.

The future competitiveness of the U.S. business community will be dependent on America's ability to produce a highly skilled workforce. The first step toward ensuring our graduates are ready to face the challenge is to define the skills gap. In order to do so, the four participating organizations jointly surveyed over 400 employers across the United States to identify the skills needed by recently hired graduates from high school, two-year colleges or technical schools, and four-year colleges to succeed in the workplace. We asked the business community to define the current state of "workforce readiness" for new entrants and to assess their current levels of proficiency in the areas most critical to success in the 21st century economy.

The Findings

Employers report that new entrants to the workforce need not only the basic skills—reading, writing and math—but that in the 21st century business world, possessing a range of applied skills directly related to the workplace is critical to success. When asked to rank skills in terms of their importance in the workplace, employers put professionalism, teamwork, and oral communication at the top of the list. The table below shows the skills that were ranked very important by the largest percentage of respondents.

Top Five Most Important Skills

	High School Graduates	Two Year College Graduates	Four Year College Graduates
Professionalism	80.3%	83.4%	93.8%
Teamwork	74.7%	82.7%	94.4%
Oral Communication	70.3%	82.0%	95.4%
Ethics & Social Responsibility	63.4%		
Reading Comprehension	62.5%	71.6%	

If excellence is necessary for America to continue to effectively compete in the global economy, then there is much work to be done in preparing the next generation of professionals to enter the workplace. Less than a quarter of employers – only 23.9 percent – report that new entrants with four-year college degrees have "excellent" basic knowledge and applied skills, and important deficiencies exist among entrants at every level. The deficiencies are greatest at the high school level, with 42.4 percent of employers

reporting the overall preparation of high school graduates as deficient; 80.9 percent reporting deficiencies in written communications; 70.3 percent citing deficiencies in professionalism; and 69.6 percent reporting deficiencies in critical thinking. Although preparedness increases with educational level, employers noted significant deficiencies remaining at the four-year college level in written communication (27.8 percent), leadership (23.8 percent) and professionalism (18.6 percent).

Are They Really Ready to Work?

Emerging Skills

Respondents were asked to project changes in necessary skills over the next five years. The findings reflect anticipated changes in the economy in the near-term future.

- Mirroring the fast pace of globalization, 63.3 percent of employers say a foreign language is the most important basic skill students will need.
- Critical thinking and creativity/innovation, two key drivers of a knowledge economy, are expected to increase substantially in importance. (77.8 percent for critical thinking and 73.6 percent for creativity/innovation)
- Over three-quarters of respondents report that making appropriate choices concerning health and wellness is the No. 1 emerging content area, reflecting the growing challenge of rising health care costs. (76.1 percent)
- Two and four-year college graduates will be hired in increasingly larger numbers than high school graduates, making it imperative for young people to seek higher education. (27.7 percent of employers project a reduction in high school graduate hires, 58.8 percent project an increase in four-year college hires, 49.5 percent project an increase in two-year college hires)

Role of Business

Are They Really Ready to Work? Employers' Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce sounds a wake-up call to a business community already concerned about the potential of the future workforce. The business community overwhelmingly identified educators as the sector most responsible for creating a workforce ready to compete. (K-12 Education -- 75.6 percent, Four-Year College -- 68.4 percent, Two-Year College -- 45.2 percent). However, no amount of finger pointing will get the job done without the cooperation of the entire com-

munity. The four partner organizations hope to inspire and motivate the business community to get involved in developing strategies to give the next generation of workers the skills they need for job success and to keep American business competitive in the global economy.

Business leaders, educators, community leaders and policymakers must work together to ensure that young people have the opportunities they need to develop important workplace skills. Many corporations already partner with schools, after

school programs, and university and community based youth development programs to offer internships, summer jobs, work-study programs, and other hands-on programs to provide practical learning experiences for students to cultivate the important applied skills needed in the workplace. But more high quality programs are needed to meet the needs of all young people.

Business can also play a critical role in working with educa-

tors, after school and youth development leaders, community leaders and policymakers to develop a more strategic and coordinated approach to the overall development and education of young people. In the future, the partner organizations will be working collectively and individually to reach out to a wide range of stakeholders as we continue this work. We will be convening a business leaders meeting with the goal of reaching consensus about how the business community can move this agenda forward. We will be presenting the findings of this research to policymakers, and engaging them in dialogue about best next steps. And we will be doing additional research to better understand the investment business is currently making in training new entrants who lack these important skills. Through these and other efforts, we hope to help increase the opportunities available for young people to develop the full set of skills needed to succeed in the workplace of the 21st century.

“Our nation’s long-term ability to succeed in exporting to the growing global marketplace hinges on the abilities of today’s students.”

**J. Willard Marriott, Chairman & CEO
Marriott International, Inc.**



THE CONFERENCE BOARD

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. Working as a global, independent membership organization in the public interest, The Conference Board conducts research, convenes conferences, makes forecasts, assesses trends, publishes information and analysis, and brings executives together to learn from one another.

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CORPORATE VOICES
for WORKING FAMILIES

Corporate Voices for Working Families is the leading national business membership organization representing the private sector voice in the dialogue on public policy issues related to working families. As an independent 501(c)(3), Corporate Voices facilitates research and provides solutions to legislators and business on Early Childhood Education and After School Care, Family Economic Stability, Worker Flexibility, the future of the Mature Workforce, and Youth Transitions. Collectively our 54 partner companies employ more than 4 million individuals throughout all fifty states, with annual net revenues of \$1 trillion.

www.cvworkingfamilies.org



**PARTNERSHIP FOR
21ST CENTURY SKILLS**

The Partnership for 21st Century Skills has emerged as the leading advocacy organization focused on infusing 21st century skills into education. The organization brings together the business community, education leaders, and policymakers to define a powerful vision for 21st century education to ensure every child's success as citizens and workers in the 21st century. The Partnership encourages schools, districts and states to advocate for the infusion of 21st century skills into education and provides tools and resources to help facilitate and drive change.

www.21stcenturyskills.org



The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 210,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 550 affiliated chapters within the United States and members in more than 100 countries.

www.shrm.org