

# Life in the 21st Century Workforce:

## A National Perspective



University  
of Phoenix®





## Introduction

Considerable attention recently has been focused on the skills employees need to succeed in the workplace. However, few studies have asked employers and the workforce what they see as the key skills and competencies necessary to thrive and how these might be acquired; fewer still have asked *both* employers and employees to consider these topics and analyze how their responses are congruent or incongruent. Independently, the University of Phoenix and U.S. Chamber of Commerce each sought to explore these topics with new primary studies conducted among the U.S. labor force and business executives. This summary presents key findings from these studies and ties them together to paint a picture of life in the 21<sup>st</sup> century workplace and the key dynamics both workers and employers need to consider as they seek to promote excellence in the workplace.

### It's been a tough few years for employers and the workforce.

Business news the past few years has focused on declining sales, increasing costs, staff reductions, the threat of global competition, and unstable stock prices. U.S. unemployment hovers at 9.1 percent, with the government reporting that no new jobs were added in August 2011 and 14 million Americans remain unemployed, including 6 million who have not worked for more than 27 weeks.<sup>1</sup> It is against this backdrop that just 19 percent of Americans believe things in the U.S. are headed in the right direction while 73 percent say things are going in the wrong direction.<sup>2</sup> This finding represents a net drop in optimism of 21 points since The University of Phoenix April 2011 survey of 500 members of the American workforce<sup>3</sup> when 28 percent said things were headed in the right direction and 61 percent said wrong direction.<sup>4</sup>

The U.S. labor force in the University of Phoenix survey further indicate that the top issues facing their business and of most concern to them are the economy (17%), healthcare benefits (17%), and jobs and job security issues (13%).

Half of business executives in an August 2011 HireRight survey<sup>5</sup> say that finding and retaining high-quality talent is the top challenge facing their business. Similarly, 53 percent of employers in a U.S. Chamber/Civic Enterprises study say their companies face a very or major challenge in recruiting non-managerial employees with the skills, training, and education their company needs. The HireRight report also reveals that employers' need for talent is shown in other management challenges, with 32 percent of

#### MOST IMPORTANT ISSUES: U.S. Workforce

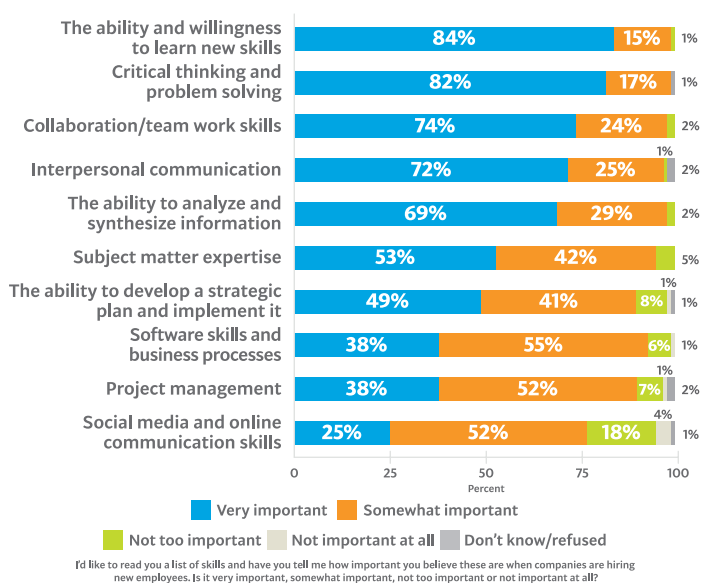
Economy	17%
Healthcare/health insurance/benefits	17%
Employment/jobs/unemployment/job security	13%
Cost of living/low wages	12%
Government spending/budget/deficit/finances	12%
Higher taxes/taxes	8%
Gas prices	8%
Education/funding for schools	7%
No business/getting more business	4%
Government corruption/politics	4%
City funding/city finances	3%
War/national security	3%
Unskilled workers/finding qualified workers	2%
Housing market/home values decreasing	2%
Outsourcing/going overseas/foreign competition	2%
Environment/climate change	2%
Ethical issues/human rights	2%
Safety	1%
Other	5%
None/nothing	6%
Don't Know/refused	2%

respondents citing the transfer of knowledge among employees and 30 percent citing attracting and retaining entry-level employees. Moreover, 75 percent of employers in the U.S. Chamber/Civic Enterprises study believe that increasing the number of individuals who complete post-secondary education programs and receive a degree or credential will positively impact their company's ability to hire and retain employees with the necessary skills and knowledge.

## Soft skills sought after when it comes to hiring.

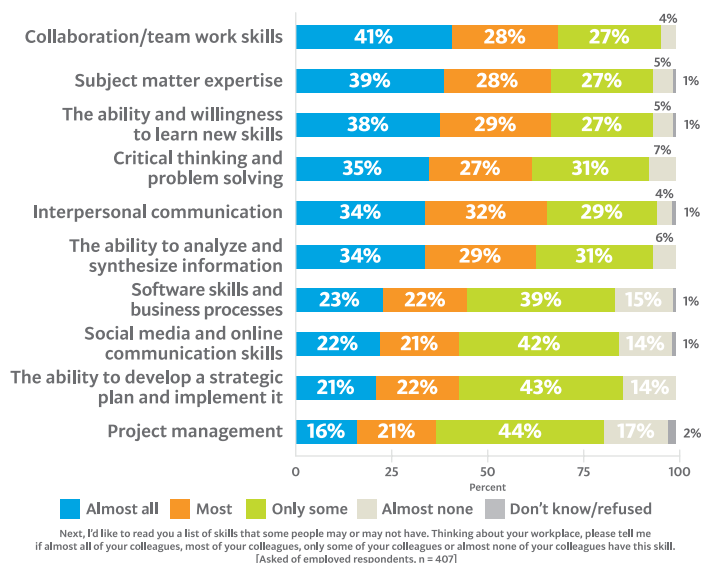
The labor force in the University of Phoenix national survey recognize the importance of *soft skills*, behavioral competencies like the ability to learn new things, interpersonal communication, and collaboration, in getting hired. A group of five behavioral competencies, from among a set of ten, are named by at least 69 percent of workers as *very important* to companies when it comes to hiring new employees. When asked to name the *most important* skills evaluated in new hires, the workforce respondents place *the ability and willingness to learn new skills* (84% rate it very important) and *critical thinking and problem solving* (82%) at the top of the list of ten skills reviewed. In a statistical second tier are three additional skills: *collaboration/team work* (74%), *interpersonal communication* (72%), and *the ability to analyze and synthesize information* (69%).

IMPORTANCE OF SKILLS WHEN HIRING



Interestingly, while the workforce respondents in the University of Phoenix survey believe the ability and willingness to learn new things and critical thinking and problem solving are the most important skills to have when looking for employment, fewer than two-thirds feel almost all or most of their colleagues possess these skills, ranking these as the third and fourth most predominant skills within their workplace. Workers most often say their colleagues possess collaboration/team work skills and subject matter expertise.

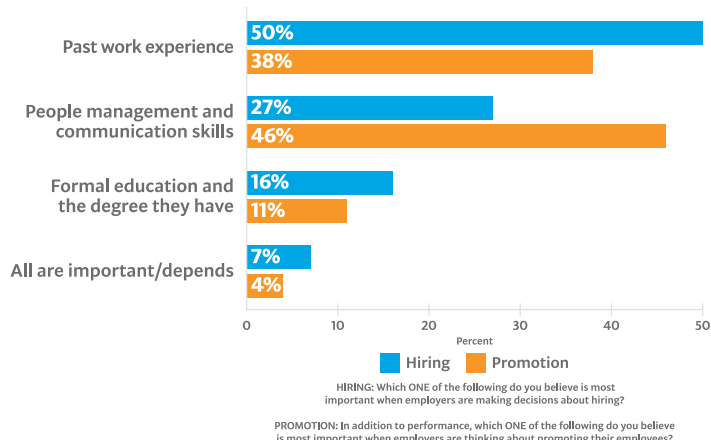
COLLEAGUE SKILLS



## Employees believe work experience is critical to landing a job, but people management and communication skills are decisive in winning a promotion.

In today's workplace, the labor force consider *past work experience* (50%) to be the most important factor when companies are making hiring decisions, outdistancing *people management and communication skills* (27%). However, when it comes to being promoted, workers are far more likely to consider people management and communication skills (46%) as more important than past work experience (38%).

MOST IMPORTANT HIRING AND PROMOTION CRITERIA



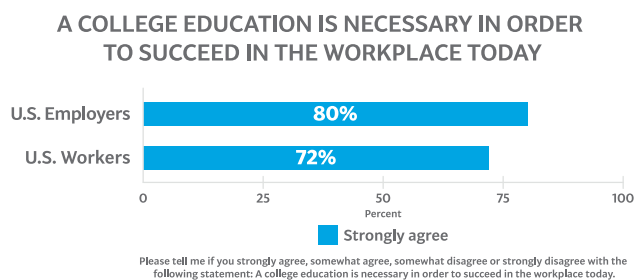
While these findings may seem incongruous, they illustrate the difficulty employers have in evaluating a candidate's behavioral competencies and the importance for employees to grow and demonstrate



these soft skills. In fact, 58 percent of the workforce say that a lack of *interpersonal skills* is a very significant barrier to being promoted.

## Education is critical to ensuring workers have the skills necessary to advance.

Eight-in-ten employers in the U.S. Chamber/Civic Enterprises survey (80%) believe that a college education is necessary to achieve success in the workplace today and about half (47%) feel that a college education offers employees an excellent return on investment. Seven-in-ten workers interviewed (72%) in the University of Phoenix study agree that it's necessary to have a college degree these days to succeed in the workplace.



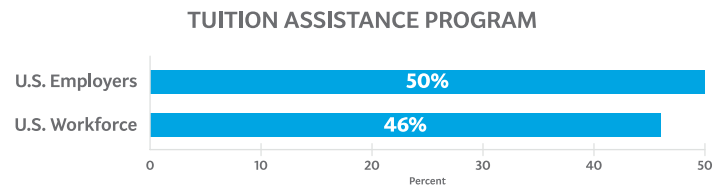
In addition, 77 percent of the national labor pool agree that continuing education is important for success in their careers. Toward that end, half of the workforce (50%) say they plan to take a class to enhance their professional skills within the next two years; moreover, one-fifth (19%) plan to go to school to get an advanced degree and 14 percent plan to go to school for a bachelor's degree.

The labor force believe that going back to school will have a direct impact on their career: the most common reasons for going back to school are to advance their career (89%), increase their salary (89%), or gain training for a specific job (88%).

Moreover, 75 percent of employers in the U.S. Chamber/Civic Enterprises study believe that increasing the number of individuals who complete post-secondary education programs and receive a degree or credential will contribute to the success of their company.

## Employers are responding by showing their workers that education is important.

In the workforce survey, 46 percent of respondents say their company pays all (17%) or some portion (29%) of tuition; at the same time, 50 percent of employers in the U.S. Chamber of Commerce/Civic Enterprises study say they have a tuition assistance program.



This employer study also found that 57 percent of respondents' companies offer flexible schedules to accommodate post-secondary education and training, which is appreciated by their employees: 75 percent of workers in our study confirm that flexible schedules are important considerations when choosing a degree program.

## Employers and the workforce see the same end goal in education, but value different aspects of a post-secondary degree program.

The majority of employers in the U.S. Chamber of Commerce/Civic Enterprises study say that the objectives of post-secondary education are results-oriented—that is that schools develop skills employers consider to be important for their employees' success (and ultimately their organizations); when asked to select the two most important goals for post-secondary education, business leaders place the greatest premium on *preparing individuals for success in the workplace* (56%), *providing individuals with core academic knowledge and intellectual skills* (51%), and *providing individuals with the workforce skills and knowledge for success in a specific career* (50%).

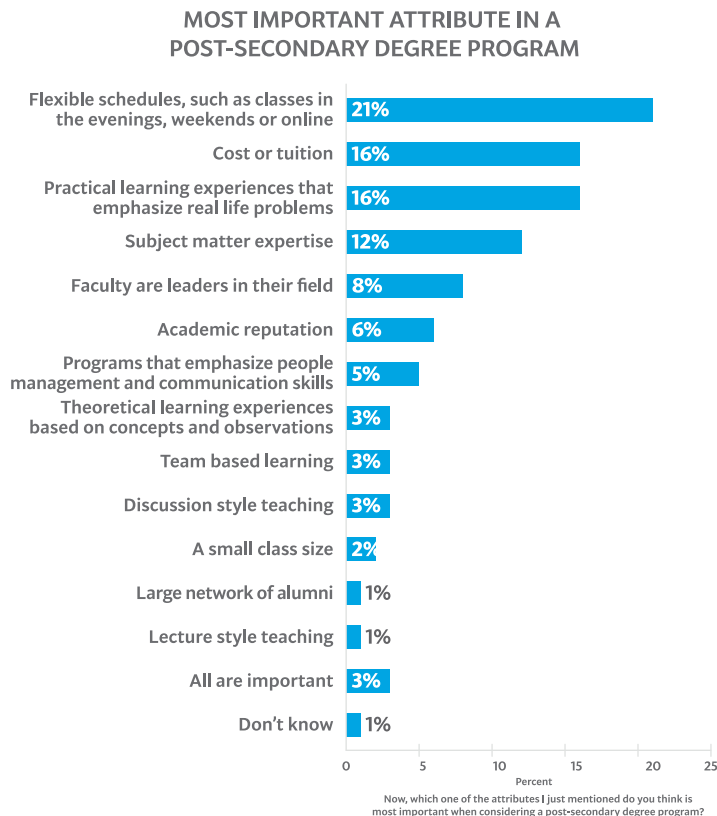
Conversely, employees place more weight on program elements that will affect their day-to-day life, such as having a *flexible schedule* and the *cost of tuition*. A flexible schedule is listed as the most important attribute for workers (21% selected this as most important consideration), while 16 percent of the workforce say both cost / tuition and practical learning experiences that emphasize real life problems are the most important. Subject matter expertise checks in with 12 percent saying this is the most important



element. Interestingly, just 5 percent of the labor force believes post-secondary programs that emphasize people management and communication skills is the most important attribute they consider.

## What it all means.

The results of a series of recent surveys indicate that education is clearly an important aspect of life in the 21<sup>st</sup> century workforce. Both employers and the labor force recognize the importance of education—including continuing education and advanced degrees—on success in the workplace. Programs that emphasize interpersonal skills, collaboration, critical thinking, and problem-solving are poised to both capitalize on this trend and provide the most benefit to employers and the workforce alike.



#### ENDNOTES

<sup>1</sup> U.S. Bureau of Labor Statistics, September 6, 2011

<sup>2</sup> NBC News/*Wall Street Journal* national survey, August 27-31, 2011, of 1,000 U.S. adults, conducted by Peter Hart and Bill McInturff

<sup>3</sup> The American workforce is defined as residents between 18 and 55 years of age who are working full- or part-time, self-employed, seeking employment, or committed stay-at-home parents. This report may also sometimes refer to these respondents as the labor force, labor pool, manpower, personnel, or workers.

<sup>4</sup> University of Phoenix national survey of 500 workers April 6-18, 2011 by APCO Insight

<sup>5</sup> HireRight Employment 2011 Screening Benchmark Report online survey of 1,786 business executives, August 2011

<sup>6</sup> *Across the Great Divide: Perspectives of CEOs on America's Higher Education and Skills Gap*, Civic Enterprises and Institute for a Competitive Workforce at the U.S. Chamber of Commerce, September 7-16, 2010 online national survey of 450 business leaders at firms with 50+ employees



## ABOUT THE STUDIES

*The workforce survey findings presented here are part of a multi-audience, multi-location research project sponsored by the University of Phoenix. Telephone interviews were conducted among a random national sampling of 500 workforce members 18-54 years of age between April 6 and 18, 2011. The sampling error for the sample is  $\pm 4.4$  percentage points. Survey interviewing and analysis were completed by APCO Insight, an international opinion research and consulting firm.*

*The U.S. Chamber of Commerce / Civic Enterprises study of employers was conducted September 7-16, 2010 among a random national sample of 450 business leaders at companies with 50 or more employees. Respondents included C-suite level executives, senior vice presidents, officers, and vice presidents at companies across sectors. The online survey was designed and conducted by Peter D. Hart Research Associates. The report was commissioned by the Bill & Melinda Gates Foundation.*

