The Entrepreneurial Workforce

Junior Achievement Innovation Initiative

Polling Report
Introduction

The United States is experiencing a level of job loss not seen in decades. Many companies, especially more traditional manufacturing businesses that have been around for generations, have been adversely impacted by global competition in recent years. As a result some may not survive the current economic downturn, resulting in the considerable loss of jobs that will not be replaced by similar high-waged positions in the same industries. This begs the question, “What is next for America’s workforce” in this economic climate?

Historically, new jobs have been created with the rise of new companies in emerging industries. In the past, some of America’s most entrepreneurial and innovative companies have been born during economic downturns. These have included Microsoft, HP, GE, LexisNexis, Wikipedia, Hyatt and FedEx. At the same time, these forward-looking companies have helped redefine the landscape of the American workforce by fostering new employment cultures with characteristics, often entrepreneurial in nature, that are eventually adopted by other employers in the marketplace. This may be one of those times… a time when a new wave of innovative and entrepreneurial enterprises is being created out of the wake of an economic downturn, fostering new dynamics for the American workforce… a more “entrepreneurial workforce.”

To put these dramatic changes into perspective and to identify methods for addressing them, Junior Achievement is launching the Junior Achievement Innovation Initiative (JAII). JAII is designed to aggregate thought leaders and stakeholders in the areas of entrepreneurship and workforce readiness in order to discuss and recommend changes in education and to help JA conceptualize future program offerings. Junior Achievement currently provides economic education programs to more than four million students in America and serves as a bridge between the business and education communities.

The focus of the Initiative is to propose research-based recommendations that can help young people bridge the gap between success in school and success in the workplace by taking the best of contextual learning, the best of academic rigor and applying lessons
learned through Federal, state and local partnerships. The intended end result is to establish the groundwork for a more competitive, entrepreneurial workforce that combines the hard skills of academic learning with the soft skills of workplace know-how and marries them with the initiative found in entrepreneurial endeavor.

To provide the research for this effort, Junior Achievement enlisted the help of the Gallup organization. Gallup conducted a phone survey of more than 1,100 employers and employees regarding the current state of the American workforce and what can be done to make the workforce more competitive. The study examines the attitudes of employees and those responsible for hiring regarding issues facing those entering the workforce today. More specifically, the study’s objectives included:

• Perceptions of qualifications of those entering the workforce today in meeting companies’ needs
• Opinions regarding who should be primarily responsible for preparing employees for the workforce
• Life skills or talents that are most important for employee’s success at company
• Employee issues of greatest concern at company/greatest limitations faced by employees
• Barriers to post-secondary education (cost, lack of self-motivation, primary education, changing workplace, etc.)
• Skills perceived as most important for success—technical skills vs. ability to work well with others
• Best place for young people to learn life skills
• Extent to which entrepreneurship is important overall—at employee’s company

This document provides an overview of the findings from that survey and the actions recommended to address those findings.
Rating of Qualifications of New Workforce

Nearly 8 in 10 (78%) full-time employees believe those entering the workforce today are qualified in meeting their company’s needs (18% very qualified, and 60% somewhat qualified).

Similarly, 81 percent of those with responsibilities for hiring believe these new entrants are qualified (20% very qualified, and 61% somewhat qualified).

Employees under age 35 are more likely than those between the ages of 35-49 to feel that those entering the workforce today are very qualified (26% vs. 11%).
Issues of Major Concern

Of the issues of concern, a lack of life skills and professionalism were cited as major concerns for companies. Specifically, a lack of life skills such as self-motivation, communication and social skills are seen as significant obstacles at employees’ companies.

More than half of employees and those responsible for hiring say this is a major concern at their company (54% and 56% respectively). A lack of “professionalism” ranks a very close second as a major concern (50% among all employees, and 47% among those responsible for hiring) at their company.

Lack of Life Skills And Professionalism Perceived To Be The Two Most Dominant Concerns In The Workplace

Q3: To what extent, if any, are the following employee issues a concern at your company?

- Lack of Life Skills
- Unwillingness to Learn New Skills
- Lack of Professionalism
- Inability to Learn New Skills
- Lack of Academic Skills
Factors for Success

By far, self-motivation is viewed as the most important ingredient for success at the company where respondents were employed. Four in ten (39%) employees and one in every two (48%) responsible for hiring choose self-motivation first over other factors as being most important to an employee’s success at their company.

To a lesser extent, flexibility is first mentioned by roughly one in five (23% among all employees, and 20% among those responsible for hiring). Social and communication skills round out the top three most frequently first mentioned factors considered to be most important for employee success.
Opinions on Responsibility

The educational system, mentioned by more than four in ten employees (44%) and those responsible for hiring (43%) is seen as most responsible for preparing new employees for the workforce. This is especially the case among women where more than half (53%) believe the educational system should be most responsible (vs. 39% among men).

Three in ten employees believe it is the employees themselves who should be most responsible (30% among employees and 42% among those responsible for hiring). Fewer employees (14%) and those responsible for hiring (6%) believe it’s the responsibility of companies to prepare employees for the workforce.

Educational System Is Perceived As Most Responsible For Preparing Workforce

Q1B: In your opinion, other than parents or family, who do you feel should be primarily responsible for making sure employees today are prepared for the workforce?
**Greatest Limitation**

When asked to choose from five possible factors that might limit employees from achieving success at their company, there is no clear consensus among employees or those who are involved in hiring as to the greatest limitation, though when all responses are combined, lack of professionalism is cited most often (64% mention this as either their first, second, or third mention). Lack of life skills is a close second. The inability to learn new skills was less frequently mentioned as a limitation.
Life Skills versus Technical Skills

Given the choice between having the best technical skills or the ability to work well with others, the ability to work well with others trumps best technical skills as more important for success at the employees’ companies.

Men are more likely than women (26% vs. 14%), and those who have not attended college are more likely than their counterparts to mention technical skills as most important.

Those responsible for hiring gave similar responses to employees overall.

Q6: In your opinion, which is more important for success at your company – having the best technical skills or being able to work well with others?
Entrepreneurship
Gallup then asked the question, “If entrepreneurship means, ‘Taking the initiative and assuming risk to create value for the company or business, either as an owner of your own business or in your place of work,’ would you consider yourself to be entrepreneurial?”

Using this definition, nearly six in 10 (58%) of the employees surveyed and two-thirds (65%) of those responsible for hiring describe themselves as entrepreneurial. Notably, those who have attended college but did not graduate are the most likely to feel they are entrepreneurial (66% vs. 56% among college graduates).

Most employees feel it is very important (26%) or somewhat important (35%) to be entrepreneurial at their company. Those responsible for hiring agree (31% say it is very important and 30% somewhat important).

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Q9A: How important is it to be entrepreneurial at your company?
The vast majority (96%) of employees feel it is important for the American workforce to become more entrepreneurial in order to keep America competitive in the global market.

### A Significant Majority Believe An Entrepreneurial Workforce Is Very Important In Keeping America Competitive In The Global Market

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Q9B: How important is it that the American workforce become more entrepreneurial in order for America to stay competitive in the world?
Finally, nearly half of employees (46%) and four in 10 (41%) of those responsible for hiring believe the best place to learn entrepreneurship is in grades K-12, surpassing all other options.
Recommendations

In April 2009, Junior Achievement hosted a Forum in Washington, DC to discuss the Initiative’s research findings with leaders in the national workforce readiness community. The Forum engaged representatives from the U.S. Department of Labor, the Small Business Administration, the American Association of Community Colleges, the Council on Competitiveness, the National Association of Workforce Boards and many other groups and professional associations. The discussion was facilitated by JA Worldwide Board member, Dr. Graham Spanier, President of Penn State University.

In summary, the Forum participants discussed how the next 10 to 15 years are crucial for preparing the future workforce. The U.S. workforce needs to be skilled, diverse and creative, with a greater emphasis on preparing a workforce that meets the demand of the global marketplace.

To do this, the U.S. cannot just look at the jobs that are currently available and it cannot predict the jobs that will be in demand in the future. The workforce development and education communities need to find ways to promote foundational skills at a younger age. These skills include so-called “hard skills,” such as math, science and reading, and the so-called “soft skills,” such as problem solving, decision-making, teamwork and even entrepreneurship. Ideally, students should receive education that is well balanced in both hard skills and soft skills in order to meet the demands of future employers.

The Forum participants also agreed that there is a “Motivation Gap,” both among students in schools and with new workers entering the workforce. The way the current education system is structured, primary and secondary education focus primarily on teaching students fundamentals like math, science and reading. In the post-secondary realm, such as colleges and trade schools, the emphasis is primarily on career-centric skills. Neither K-12 nor post-secondary institutions focus on promoting “motivation” to learn or obtain marketable skills. In fact, some workforce experts believe that only experience… or experiential learning… can foster a sense of self-motivation.

Through its experiential learning models, Junior Achievement and youth-focused organizations with similar missions can be positioned as one means of filling this “Motivation Gap.” Some of the initial thinking and possible recommendations that evolved from the Forum are:

- Encourage the concept of filling the “Motivation Gap” with entrepreneurial and experiential learning models and create
alignment around these concepts amongst key stakeholders (like schools, businesses, workforce prep entities). In relation to JA, this would mean enhancing the concepts of self-motivation, innovation and risk-taking within JA curriculum.

• Use additional research to determine if the promotion of self-motivation can lead to greater demand for a more rigorous and relevant curriculum from schools. The hypothesis is that a demand-driven approach could result in systemic education change.

• Help key stakeholders recognize that motivation and mentorship are critical to success of all young people. In relation to JA, this recommendation underlines the need to expand JA’s unique volunteer value proposition through an innovative delivery system that brings relevance to significantly more students than are currently being reached.

• Recognize that both hard skills and life skills are required by an individual to become marketable and successful. In the case of JA, this means filling the life skills void by scaling programs like JA Success Skills, an in-school initiative designed to promote workforce readiness skills among young people.

• Help young people to “learn to learn” and “learn to navigate” our existing education and workforce development systems to obtain those skills they will need to succeed. Embracing the concept of alternative pathways and encouraging some form of education beyond high school is critical as the workforce competencies accelerate rapidly.

**Methodology**

In support of the Junior Achievement Innovation Initiative, telephone interviews were conducted by Gallup. Two separate sample groups were used to complete a total of 1,101 interviews. The first group was a national sample of 800 full-time employees. The second group comprised a national sample of 301 employees/employers with responsibility for hiring employees.

The questionnaire was developed by Gallup, in consultation with representatives from the Lindberg Group on behalf of Junior Achievement. All interviewing was supervised and conducted by Gallup’s full-time interviewing staff.
Interviewing was conducted from October 7 through November 6, 2008. For results based on the 800 full-time employees one can say with 95 percent confidence that the error attributable to sampling and other random effects could be plus or minus five percentage points and for the 301 respondents with responsibilities for hiring decisions it is plus or minus eight percentage points.
Junior Achievement USA Thanks the Following Participants in the
April 2009 Junior Achievement Innovation Initiative Forum:

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