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## **New Report Shows Employers Struggle with Ill-Prepared Workforce, as White House Highlights Future of Workforce Skills**

**(Alexandria, VA)** July 14, 2009 – As the Obama administration shines a light on the training and skills workers will need for the jobs of tomorrow, a new report shows that U.S. employers continue to struggle with an ill-prepared workforce, finding new hires lack crucial basic and applied skills.

For the most part, employer-sponsored readiness training is not successfully correcting these deficiencies, according to the report, *The Ill-Prepared U.S. Workforce: Exploring the Challenges of Employer-Provided Workforce Readiness Training*, produced by Corporate Voices for Working Families, the American Society for Training & Development (ASTD), The Conference Board, and the Society for Human Resource Management (SHRM).

“The results of this study demonstrate how critical it is for companies to be more strategic and focused on efforts such as providing internships and working in partnership with community colleges on workforce readiness initiatives to prepare new entrants before they enter the workplace,” says **Donna Klein**, Executive Chair, Corporate Voices for Working Families, which partnered with The Conference Board, the American Society for Training & Development (ASTD), and the Society for Human Resource Management (SHRM) on the report and its underlying survey of U.S. employers.

“It is a losing strategy for employers to try to fill the workforce readiness gap on the job. They need to be involved much sooner to prepare new employees to succeed,” Klein said.

The report published today, *The Ill-Prepared U.S. Workforce: Exploring the Challenges of Employer-Provided Workforce Readiness Training*, draws from a survey of 217 employers about their training of newly hired graduates of high school and two- and four-year colleges. The survey, conducted during 2008, included employers in manufacturing; financial services; non-financial services; and education, government, and other non-profits.

Almost half of respondents said they have to provide readiness training for new hires – and the majority rate their programs as only “moderately” or “somewhat successful.”

“U.S. business is increasingly outspoken about the competitiveness threat posed by an ill-prepared workforce – but employers must do a better job of quantifying this threat and

communicating it to key stakeholders,” says **Mary Wright**, Program Director, Workforce Readiness Initiative, The Conference Board.

“It doesn’t make any difference if you’re operating a business in Mumbai, Beijing or New York – the number one challenge facing every organization is finding and growing skilled talent,” said SHRM CEO and President **Laurence O’Neil**. “HR professionals are helping bridge the gap, finding ways to give employees the skills they need to add value and to be more valued. This isn’t just an HR challenge, but a bottom-line global business problem.”

“In any economy, having a knowledgeable, skilled workforce is critical for organizations to grow and be successful,” said **Tony Bingham**, ASTD President and CEO. “As the skills gap widens among new entrants to the workforce, it’s clear that all stakeholders – employers, education, and the public workforce system – must collaborate to effectively prepare workers to be successful on the job.”

The report, which includes five case studies of successful workforce readiness programs run by Bank of America and Year Up, CVS Caremark and TJX Companies, Harper Industries, Northrop Grumman, and YUM! Brands, finds that:

- Many companies say new hires lack crucial critical-thinking and creativity skills – but don’t offer related training.
- Employers’ inability to detail their spending on remedial programs makes it impossible to assess the true costs of an ill-prepared workforce to their own – or the economy’s – bottom line.
- Employers with successful workforce readiness training incorporate:
  - A culture committed to training and thorough job-readiness screening.
  - Strategic partnerships with local colleges, and a focus on integrating training with job-specific skills and career development.
  - Constant re-evaluation to align training with company needs.
- Employers should:
  - Track the cost and quality of training programs.
  - Help focus philanthropic dollars and public-policy discussions on the need to link K-12, technical-school and college education to the workforce readiness skills that employers need.

***The Ill-Prepared U.S. Workforce: Exploring the Challenges of Employer-Provided Workforce Readiness Training*** is available on the Web sites of each of the participating organizations: Corporate Voices for Working Families ([www.cvworkingfamilies.org](http://www.cvworkingfamilies.org)), The American Society for Training & Development ([www.astd.org](http://www.astd.org)), The Conference Board ([www.conference-board.org](http://www.conference-board.org)), and the Society for Human Resource Management ([www.shrm.org](http://www.shrm.org)).

### **About Corporate Voices for Working Families**

Corporate Voices for Working Families is the leading national business membership organization representing the private sector on public and corporate policy issues involving working families. A nonprofit, nonpartisan organization, we improve the lives

of working families by developing and advancing innovative policies that reflect collaboration among the private sector, government and other stakeholders.

To create bipartisan support for issues affecting working families, we facilitate research in areas spotlighting the intersecting interests of business, community and families: workforce readiness, family economic stability and flexibility in the workplace. Collectively our 50 partner companies, with annual net revenues of more than \$1 trillion, employ more than 4 million individuals throughout all 50 states.

[www.cvworkingfamilies.org](http://www.cvworkingfamilies.org)

### **About ASTD**

ASTD (American Society for Training & Development) is the world's largest association dedicated to workplace learning and performance professionals. ASTD's members come from more than 100 countries and connect locally in more than 130 U.S. chapters and with more than 30 international partners. Members work in thousands of organizations of all sizes, in government, as independent consultants, and suppliers. ASTD started in 1943. In recent years, ASTD has widened the profession's focus to link learning and performance to individual and organizational results, and is a sought-after voice on critical public policy issues.

[www.astd.org](http://www.astd.org)

### **About The Conference Board**

The Conference Board is a global, independent business-membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance AND better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

[www.conference-board.org](http://www.conference-board.org)

### **About the Society for Human Resource Management**

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India.

[www.shrm.org](http://www.shrm.org)