

Fulfilling the American Dream: Liberal Education and the Future of Work

*Selected Findings from Online Surveys
of Business Executives and Hiring Managers*

Conducted on Behalf of



with support from



July 2018



1724 Connecticut Avenue, NW
Washington, DC 20009

Hart Research Associates

Methodology

From May 17 to June 1, 2018, Hart Research Associates conducted an online survey on behalf of the Association of American Colleges and Universities among employers at companies that have at least 25 employees and report that 25% or more of their new hires hold either an associate's degree from a two-year college or a bachelor's degree from a four-year college.

The research includes two parallel surveys:

- *One among 501 business executives at private sector and nonprofit organizations, including owners, CEOs, presidents, C-suite level executives, vice presidents, and directors;*
- *One among 500 hiring managers, or non-executives (directors, managers, supervisors, and office administrators) whose current job responsibilities include recruiting, interviewing, and/or hiring new employees.*

Company/Organization Profile of Executives			
Private company	86%	25 to 99 employees	33%
Nonprofit	13%	100 to 499 employees	33%
		500/more employees	34%
Local	23%	Northeast	25%
Regional	26%	South	28%
National	27%	Midwest	23%
Multinational	24%	West	24%

Company/Organization Profile of Hiring Managers			
Private company	85%	25 to 99 employees	33%
Nonprofit	14%	100 to 499 employees	34%
		500/more employees	33%
Local	26%	Northeast	25%
Regional	26%	South	28%
National	28%	Midwest	24%
Multinational	20%	West	23%

All interviews were completed online using opt-in panels in which business executives and professionals were recruited through partnerships with leading global brands, publishers, and online professional communities. Potential respondents were targeted for invitations to participate in the survey based on their employment profile, including job title, size of company/employer, and type of company/organization. Potential respondents received an e-mail or mobile app invitation to answer basic questions to ensure they qualified and were then directed through to the survey if they met the screening criteria.

Results were analyzed by key subgroups, including company size, type, and region. Significant differences are noted where applicable. While regional findings are highlighted in this report, most are not statistically significant.

The objective of the survey was to gauge the degree to which business executives and hiring managers believe that a college education is important and worthwhile, the learning outcomes they believe are most important for success in today’s economy and how prepared recent college graduates are in these areas, and the kinds of professional development they are providing to their employees.

NOTE: The use of the term “employers” in this report refers to business executives and hiring managers collectively.

Overview

Both executives and hiring managers express a higher degree of confidence in colleges and universities than does the American public, and the majority feel satisfied with recent college graduates' ability to apply the skills and knowledge they learned in college to complex problems in the workplace.

Business executives and hiring managers agree on the importance and value of college. Indeed, executives and hiring managers largely are aligned in their priorities for college learning and their perceptions of recent college graduates' preparedness and ability to succeed in the workplace.

However, higher proportions of both executives and hiring managers say that recent graduates have the skills to succeed in entry-level positions than say that recent graduates have the skills needed to advance or be promoted. Majorities think that colleges and universities need to make improvements to ensure that their graduates possess the skills and knowledge needed for workplace success at the entry level, and especially for advancement.

When hiring, executives and hiring managers place a high priority on graduates' demonstrated proficiency in skills and knowledge that cut across majors, and hiring managers are closely aligned with executives in the importance that they place on key college learning outcomes. The college learning outcomes that both audiences rate as most important include oral communication, critical thinking, ethical judgment, working effectively in teams, working independently, self-motivation, written communication, and real-world application of skills and knowledge.

However, executives and hiring managers see recent college graduates as underprepared in the skills and knowledge areas that they deem most important, even though some improvement has occurred in executives' assessment of recent graduates' preparedness since five years ago.

- Among the college learning outcomes tested, both executives and hiring managers place the highest importance on the ability to communicate orally, but only 40% of executives and 47% of hiring managers rate recent college graduates as well prepared in this area.

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- Both audiences value applied experiences and real-world skills, but only 33% of executives and 39% of hiring managers think that recent graduates are very well prepared to apply knowledge and skills to real-world settings.

Despite these gaps, executives and hiring managers say that recent college graduates are fairly effective in communicating about the skills and knowledge they have gained in college that will be important for workplace success. And they find ePortfolios more helpful than college transcripts and resumes alone when evaluating and hiring recent graduates.

Executives and hiring managers reveal expectations for continued learning among their employees with a focus toward advancement. Majorities of both audiences report that their companies offer some form of professional development—with most saying that these opportunities include training in more advanced skills that will allow employees to take on more responsibility. In partnering with colleges and universities, they say that their companies most commonly do so to offer service learning opportunities, internships, and/or apprenticeships—underscoring their focus on applied learning and real-world experiences.

Key Findings

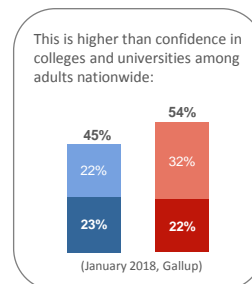
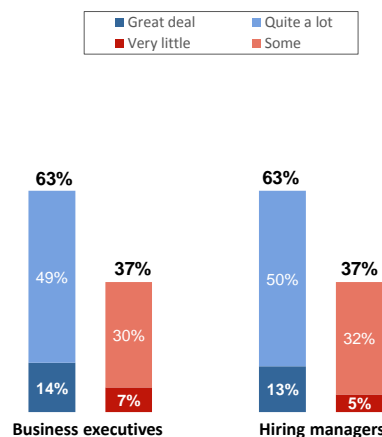
The Value of a College Degree

1. Business executives and hiring managers express a higher degree of confidence in colleges and universities than does the American public.

Among both executives and hiring managers, 63% express quite a lot or a great deal of confidence in colleges and universities—a notably higher proportion than among the general public. In a January 2018 Gallup poll, 45% of adults nationwide expressed a great deal or quite a lot of confidence in colleges and universities.

More than six in 10 executives and hiring managers express confidence in colleges and universities.

Confidence in Colleges and Universities



- Business executives located in the West are significantly less likely than those in other regions to have quite a lot or a great deal of confidence in colleges and universities (53%).

Proportions who have a great deal/quite a lot of confidence in colleges and universities*		
	Business executives	Hiring managers
Northeast	65%	60%
South	67%	63%
Midwest	69%	71%
West	53%	59%

**The difference between business executives in the West (53%) and business executives in other regions is statistically significant. All other differences by region are not statistically significant.*

2. Business executives and hiring managers agree on the value of college: they believe that it is both important and worth the time and money involved.

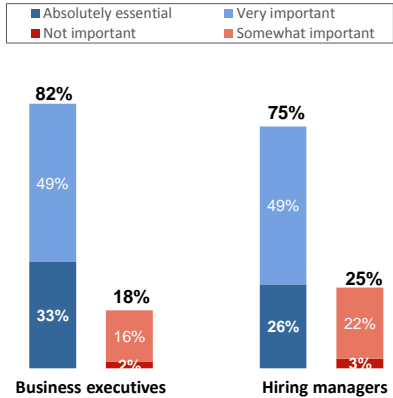
Strong majorities of executives (82%) and hiring managers (75%) believe that it is very important or absolutely essential for individuals today to complete a college education. This includes one in four (26%) hiring managers and an even higher proportion of business executives (33%, a statistically significant difference) who say that a college education is absolutely essential.¹

Additionally, an overwhelming 88% of executives and 85% of hiring managers consider the money and time involved in getting a college degree to be worthwhile.

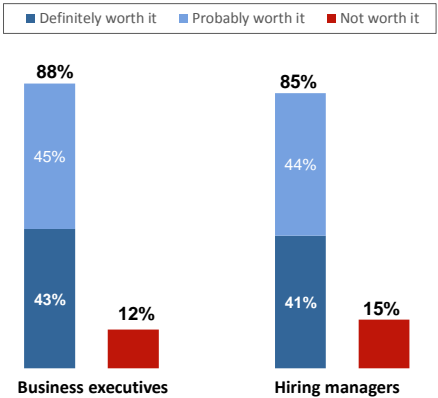
¹ It is worth noting that nearly all business executives and most hiring managers have earned a college degree, including 91% of business executives and 73% of hiring managers who have a four-year degree or more education.

Executives and hiring managers alike agree on the value of college.

Importance of Completing a College Education



Evaluation of Whether a College Degree Is Worth the Time and Money Involved



- Hiring managers in the South are slightly more likely than hiring managers in other regions of the country to say that completing college is important, while executives in the Midwest are slightly more likely to say so than executives in other regions.

Proportions who say a completing college is very important/absolutely essential*		
	Business executives	Hiring managers
<i>Northeast</i>	82%	74%
<i>South</i>	79%	79%
<i>Midwest</i>	84%	73%
<i>West</i>	82%	73%

**Differences by region are not statistically significant.*

When asked to describe the value of a college degree in an open-ended question, both executives and hiring managers most commonly cite the accumulation of knowledge, development of critical thinking and analytical skills regardless of profession, potential for increased earnings, and focus on a goal as factors that make it useful or important for an individual to obtain a college degree today.

3. Business executives and hiring managers indicate satisfaction with recent graduates' ability to apply the skills and knowledge they learned in college in the workplace, but they think that recent graduates are better prepared to succeed in entry-level positions than to advance. Among both audiences, majorities believe that colleges and universities need to make improvements to ensure that college graduates possess the skills and knowledge needed for workplace success at the entry level and especially for advancement.

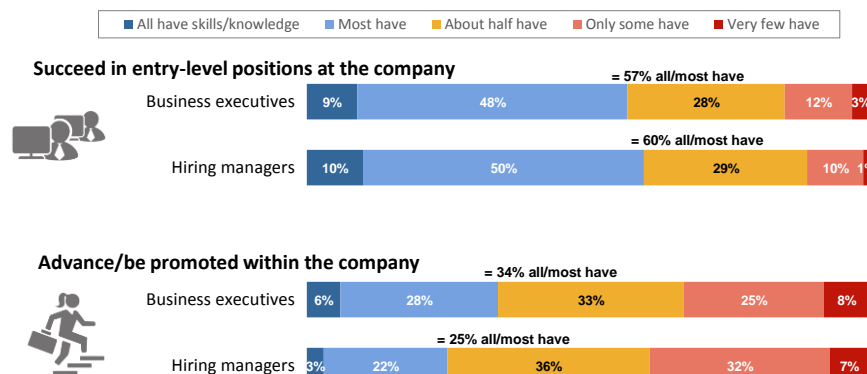
At a time when majorities of executives (56%) and hiring managers (54%) say that it is difficult to fill open positions at their companies, a promising 71% of executives and 74% of hiring managers express satisfaction with recent college graduates' ability to apply the skills and knowledge they learned in college to complex problems in the workplace. They see room for improvement, however, as only 15% of executives and 13% of hiring managers are very satisfied with recent graduates' ability in this regard.

- Majorities of employers (57% of executives and 60% of hiring managers) believe that most recent graduates have the skills and knowledge needed to succeed in **entry-level positions**.
- However, only 34% of executives and significantly fewer hiring managers (25%) say that most recent graduates have the necessary skills and knowledge to **advance or be promoted**.
 - A decrease has occurred in the proportion of executives who think that most recent graduates have the skills and knowledge needed for entry-level positions (down from 67% in 2013 to 57% today) and to advance (down from 44% to 34%).²

² Results from the 2013 report "[It Takes More Than a Major: Employer Priorities for College Learning and Student Success](#)"

Employers view their recent hires out of college as mostly prepared to succeed in entry-level positions but not necessarily to advance beyond that.

Proportions of Recent College Grad Applicants Who Have Full Set of Skills/Knowledge



Slightly higher proportions of executives and hiring managers in the Midwest and West than in the Northeast and South say recent graduates have the skills and knowledge to succeed at the entry level. Lower proportions of both audiences in the Northeast feel that recent graduates have the skills and knowledge to advance or be promoted.

Proportions who say recent graduates have the skills and knowledge to succeed in entry-level positions*		
	Business executives	Hiring managers
<i>Northeast</i>	52%	55%
<i>South</i>	53%	57%
<i>Midwest</i>	63%	66%
<i>West</i>	61%	59%

*Differences by region are not statistically significant.

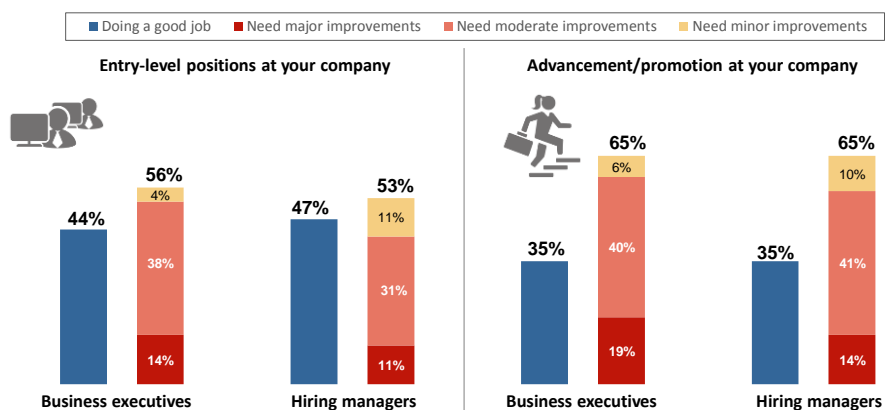
Proportions who say recent graduates have the skills and knowledge to <u>advance or be promoted</u> *		
	Business executives	Hiring managers
Northeast	30%	23%
South	35%	28%
Midwest	35%	26%
West	34%	26%

*Differences by region are not statistically significant.

Majorities of executives (56%) and hiring managers (53%) believe that colleges and universities need to make improvements to ensure graduates' success at the entry level. Even larger proportions (65% of executives and 65% of hiring managers) feel that improvements are needed to ensure that graduates have the skills and knowledge needed to advance within their company.

Majorities believe that colleges need to make improvements to ensure that graduates gain the skills and knowledge needed for success, especially for advancement.

Assessment of Job Colleges/Universities Are Doing in Ensuring College Graduates Have Full Set of Skills/Knowledge Needed for Entry-Level Positions/Advancement



Priorities for College Learning and Sense of Graduates' Preparedness

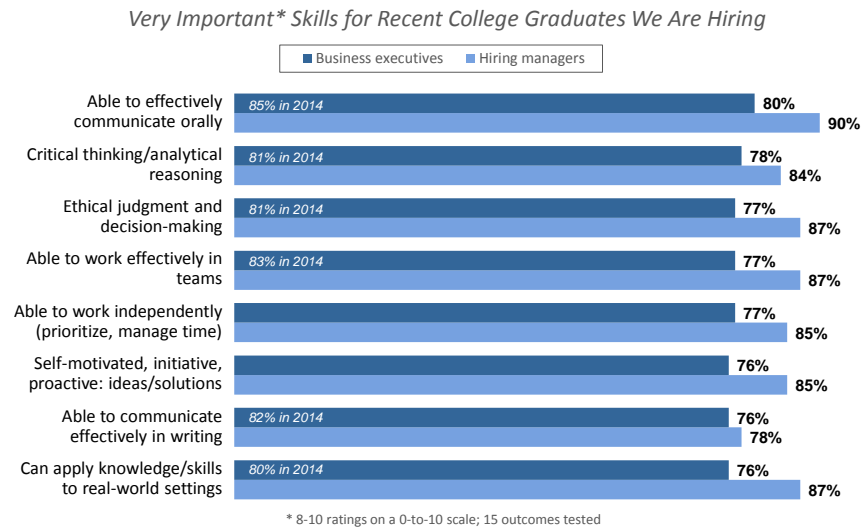
4. When hiring recent graduates, business executives and hiring managers place a high priority on demonstrated proficiency in a variety of skills and knowledge areas that cut across majors.

Respondents were asked to rate how important it is for recent college graduates they are hiring to demonstrate proficiency in a list of 15 skills and knowledge areas. Most of these are broad skills that apply across disciplines, and many rank as high priorities.

Top-tier college learning outcomes: The skill and knowledge areas of greatest importance to both business executives and hiring managers when hiring include oral communication, critical thinking, ethical judgment, working effectively in teams, working independently, self-motivation, written communication, and real-world application of skills and knowledge (each ranked by large majorities as very important, with a rating of eight, nine, or 10 on a zero-to-10 scale).

- Executives and hiring managers largely align in their rankings of learning outcomes, although hiring managers rate each skill or knowledge area as more important across the board. The areas on which hiring managers are notably more focused than executives are oral communication, ethical judgment, working effectively in teams, and applying knowledge and skills in real world settings.

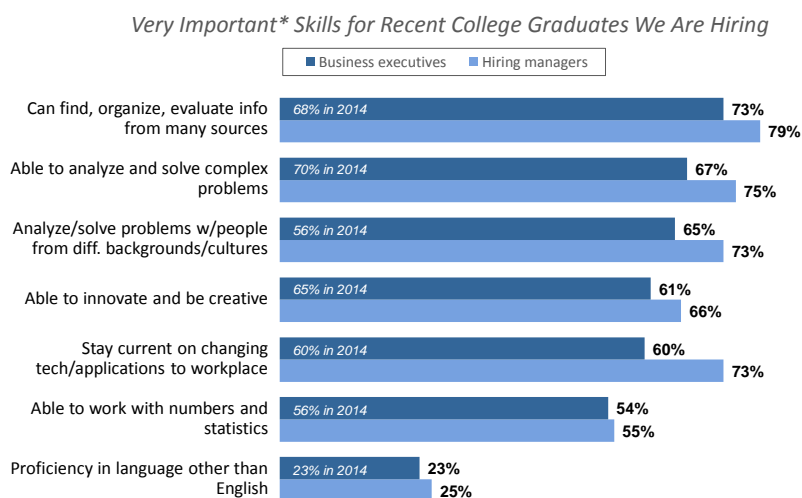
The learning priorities that executives and hiring managers value most highly cut across majors.



Second-tier college learning outcomes: Slightly less important outcomes, while still rated highly, include locating, organizing, and evaluating information from multiple sources, analyzing complex problems, working with people from different backgrounds, being innovative and creative, and staying current on changing technologies. Only slightly more than half of executives and hiring managers deem the ability to work with numbers and statistics as very important, and only about one in four prioritize proficiency in languages other than English.

- Hiring managers (73%) place a notably higher level of importance on staying current on changing technology and its applications in the workplace than do executives (60%).

Executives and hiring managers rank several other learning outcomes as only slightly less important.



* 8-10 ratings on a 0-to-10 scale; 15 outcomes tested

Business executives have shown a slight decline in the high importance they assign to most outcomes since 2014³, and their rankings of outcomes remain largely the same. However, notable increases have occurred in the level of importance that they place on recent graduates' ability to analyze and solve problems with people from different backgrounds and cultures (a nine-point increase since 2014) and their ability to locate, organize, and evaluate information from multiple sources (a five-point increase).

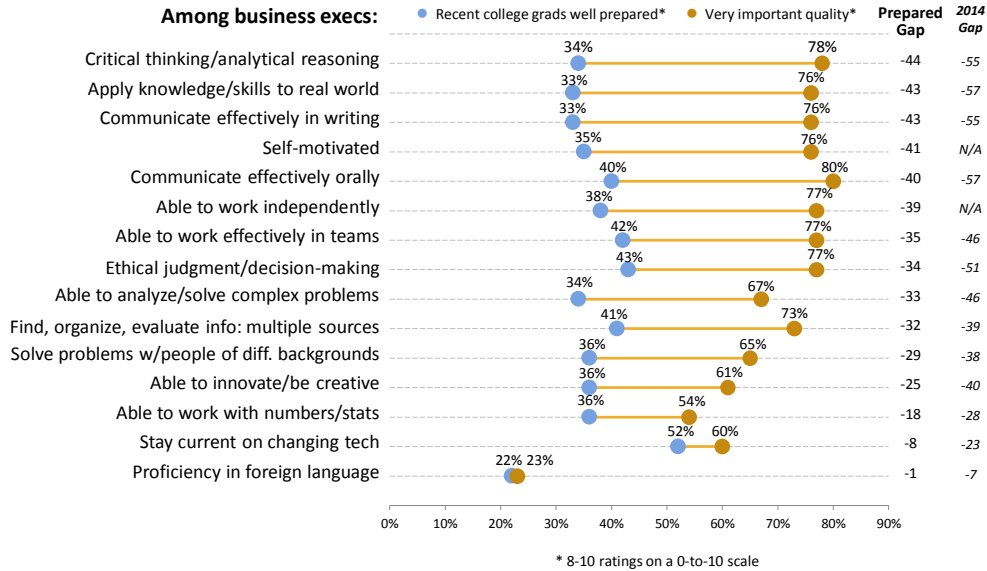
5. Notable gaps emerge between the importance that both business executives and hiring managers place on key learning outcomes and their sense that recent graduates are prepared in these areas.

Respondents were asked to rate how prepared recent college graduates are across the same list of 15 college learning outcomes. Executives and hiring managers generally agree in their sense of college graduates' preparedness across outcomes.

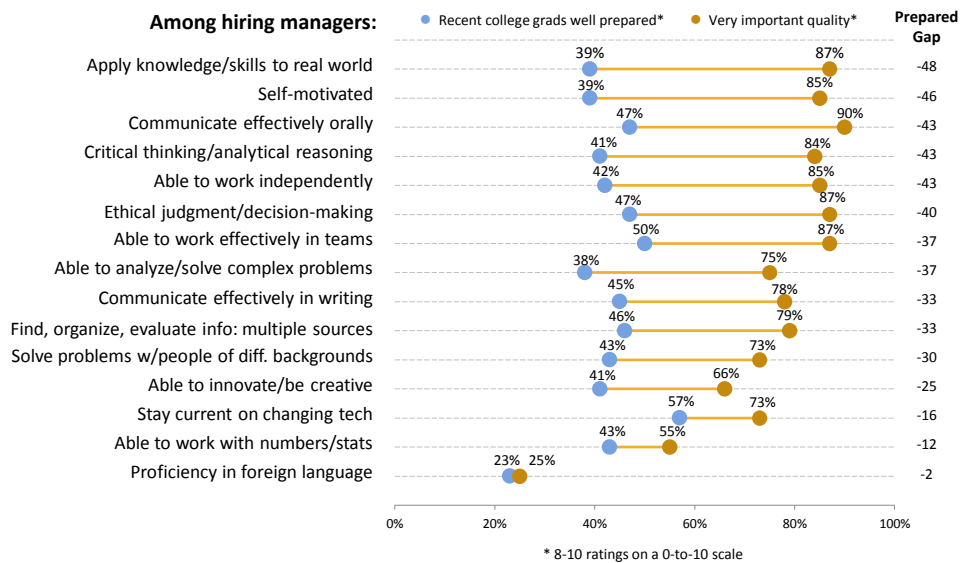
³ Results from the 2015 report "[Falling Short? College Learning and Career Success](#)"

While encouraging improvement has occurred in executives' sense of college graduates' preparedness since 2014, there still is notable room for improvement across learning outcomes, particularly in many of the very skills employers deem most important for workplace success.

Notable gaps emerge between the importance of key learning outcomes and executives' sense that recent graduates are prepared in these areas, even with some improvements.



Hiring managers also identify gaps in recent graduates' preparedness on key learning outcomes.



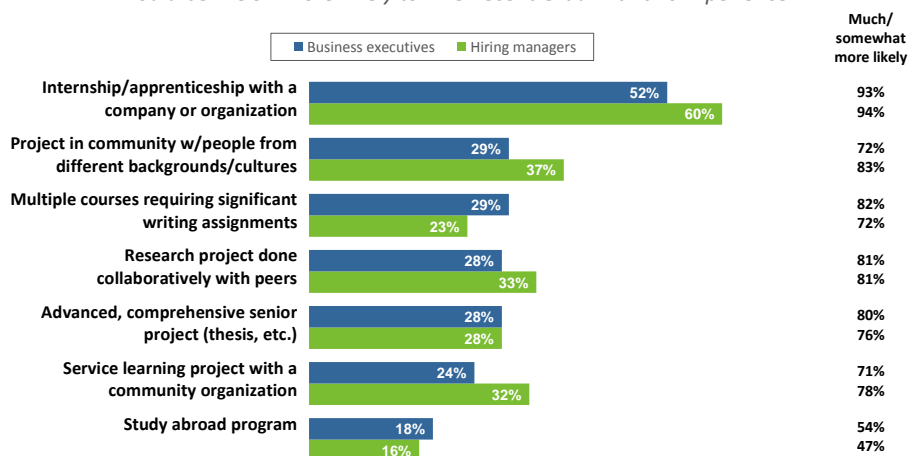
- Both executives and hiring managers perceive a **gap of at least 40 points in importance versus preparedness** in recent graduates' critical thinking and analytical reasoning skills, ability to apply knowledge and skills to the real world, oral communication skills, and self-motivation.
- Only 40% of executives rate recent college graduates as well prepared in **oral communication**, the quality that they prioritize most highly (80%) among the 15 tested (a 40-point gap in importance versus preparedness). This gap is 43 points among hiring managers.
- 76% of executives and 87% of hiring managers rate it very important that recent graduates demonstrate the ability to **apply knowledge and skills in real-world settings**, yet only 33% of executives (43-point gap) and 39% of hiring managers (48-point gap) think that recent graduates are very well prepared in this area.
- A **moderate improvement has occurred in business executives' perceptions of college graduates' preparedness** across learning outcomes since 2014 (most notably, an 18-point increase in graduates' ability to analyze and solve problems with people from different backgrounds and cultures and a 15-point increase in their staying current on changing technologies). Nonetheless, fewer than half of executives and hiring managers see recent graduates as well prepared in most areas.
- These perceived deficits in college graduates' preparation have implications for employers' overall satisfaction with new hires. Business executives who see bigger gaps in college graduates' ability to communicate effectively in writing and to work independently are significantly less satisfied with their experience hiring recent college graduates. Among hiring managers, gaps in recent hires' oral communication skills and ability to apply their knowledge and skills to real-world settings predict lower rates of satisfaction with recent college graduates.

6. Business executives and hiring managers indicate that participation in applied and project-based learning experiences—particularly internships or apprenticeships—gives recent college graduates an edge.

- **Internships and apprenticeships stand out as the applied learning experiences most highly valued by employers:** 93% of executives and 94% of hiring managers say that they would be more likely to hire a recent graduate who has held an internship or apprenticeship with a company or organization, including 52% of executives and significantly more hiring managers (60%) who would be much more likely to do so. Notably, this is a learning outcome for which the gap in importance versus preparedness is among the highest for both executives (43-point gap) and hiring managers (48-point gap).

Applied and project-based learning experiences, particularly internships or apprentice experiences, give recent college graduates an edge with both employer audiences.

Would be MUCH More Likely to Hire Recent Grad with this Experience



- When considering a job candidate, large majorities of business executives and hiring managers say that **completion of other types of applied and project-based learning experiences would give a recent graduate an advantage in the hiring process**, though notably fewer (less than 30%) say that this would make them much more likely to hire someone.
- **Employers at nonprofits** say that they would be more likely to hire recent graduates who have community-based or service learning

experience (41% of nonprofit executives and 43% of nonprofit hiring managers versus 21% of executives and 30% of hiring managers at private companies).

7. Business executives and hiring managers find electronic portfolios that summarize and demonstrate a candidate’s accomplishments in key skill and knowledge areas more useful than college transcripts alone in evaluating recent graduates’ potential to succeed in the workplace.

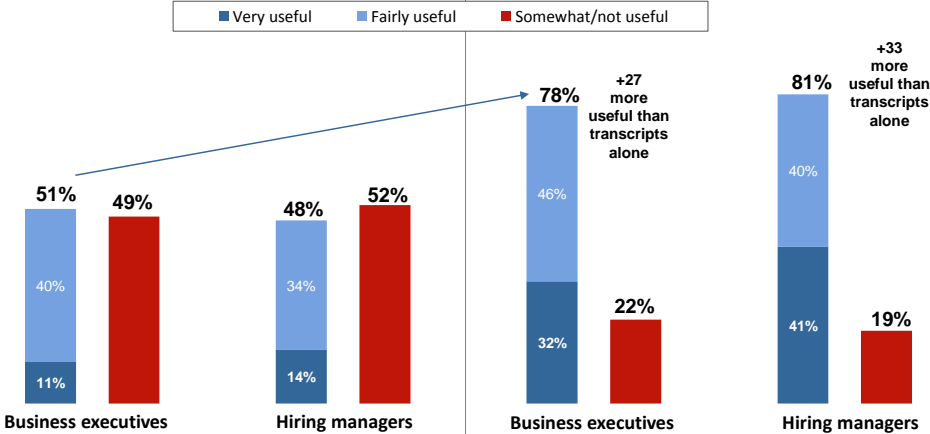
Large majorities of both audiences (64% of business executives and 70% of hiring managers) report that recent college graduates are at least fairly effective in communicating about the skills and knowledge they have gained in college that will be important for workplace success, but the mode of communication makes a difference.

- 78% of executives and 81% of hiring managers find ePortfolios useful when evaluating recent graduates, versus 51% of executives and 48% of hiring managers who find college transcripts useful.

Executives and hiring managers think ePortfolios are more useful than college transcripts alone.

How useful are college transcripts in evaluating recent college graduates’ potential to succeed at your company?

In addition to resume and transcript, how useful would an ePortfolio of recent grads’ college work be in evaluating them?



Employers Providing Professional Development

8. Most business executives and hiring managers report that their companies provide a broad variety of professional development opportunities, and most say that these opportunities include training in more advanced skills that will allow employees to take on more responsibility.

The vast majority of both executives (79%) and hiring managers (79%) say that their companies provide professional development opportunities to their employees. Those at larger companies (with 500 or more employees) are significantly more likely to say that their companies offer professional development, but large majorities of those at smaller companies with 25 to 99 employees do as well.

Executives in the Northeast are slightly more likely to say their employers offer professional development opportunities, and hiring managers in the Midwest are also slightly more likely to say so.

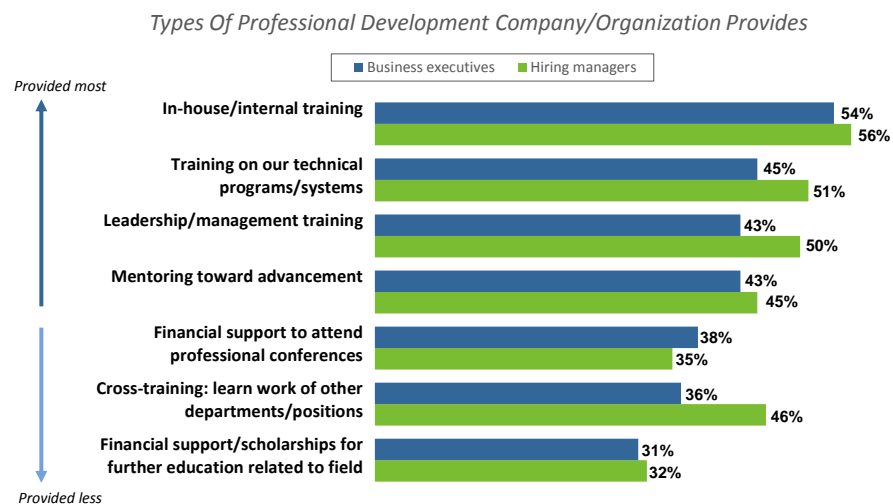
Proportions who say their companies provide professional development opportunities*		
	Business executives	Hiring managers
All	79%	79%
<i>Northeast</i>	82%	79%
<i>South</i>	77%	78%
<i>Midwest</i>	80%	84%
<i>West</i>	75%	77%

**Differences by region are not statistically significant.*

- More than half of executives (64%) and hiring managers (65%) report that this training involves **more advanced skills** or a combination of basic and advanced skills, suggesting that employers are stepping up to fill the gaps that they see in recent graduates’ preparation for advancement at their companies.

- The most **common types of professional development** that executives and hiring managers offer include in-house training programs, training on the use of technical programs and systems, leadership and management training, and mentoring toward advancement.
- Fewer than two in five executives and hiring managers report offering financial support to attend professional conferences or for further education.
- Hiring managers are more likely than executives to recognize that their companies offer cross-training for employees to learn how to do work in other departments or positions.

The most common programs are in-house training, training on use of programs/systems, management training, and mentoring.

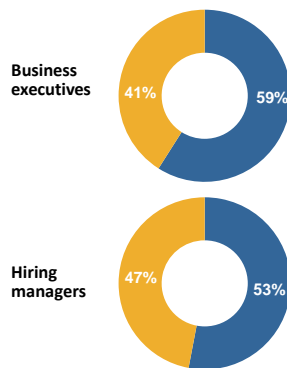


Majorities of executives (59%) and hiring managers (53%) say that their companies **partner with colleges and universities** in some way, most commonly to offer service learning opportunities, internships, and/or apprenticeships—underscoring the weight that employers place on applied experience and real-world skills when evaluating college graduates. Smaller shares of executives and hiring managers say that their companies partner with colleges and universities in other ways, revealing opportunities for greater collaboration between employers and institutions on professional development.

Executives and hiring managers indicate that their companies partner with colleges/universities in a variety of ways.

Partnerships with Colleges/Universities

■ Company partners with colleges/universities
 ■ Company does not partner with colleges/universities



Ways Company Partners with Colleges/Universities

	Business execs	Hiring mgrs
Offer service learning, internships, apprenticeships to students	30%	32%
Leaders/staff serve on boards to advise on curriculum development	20%	17%
Employees are adjunct faculty to teach courses our company needs	18%	15%
Company sponsors a scholarship at a college or university	17%	17%
Collaborate to develop industry-specific degrees or credentials	16%	13%
Host college/university course(s) at company's location	12%	11%
Other ways we partner	4%	3%

Employers at larger companies/organizations are more likely to say they partner with colleges/universities in these ways.

- Executives and hiring managers at larger companies are significantly more likely than those at smaller companies to report that their companies partner with colleges and universities in most of these ways.