

***Executive Summary***

**AMA 2012**  
**Critical Skills Survey**

# Employers Need a Highly Skilled Workforce to Keep Up with the Fast Pace of Change in Business Today

*More than half of executives admit their employees are “average” at best in critical thinking, creativity, collaboration, and communication skills.*

U.S. executives say they need a workforce equipped with skills beyond the traditional “three Rs” of reading, writing, and arithmetic if they are to grow their businesses in the 21st century. Today’s employees need to think critically, solve problems, innovate, collaborate, and communicate more effectively—at every level within the organization. They must excel at the “four Cs”: critical thinking, communication, collaboration, and creativity.

However, according to a new survey conducted by American Management Association (AMA), more than half of executives say there is significant room for improvement in these competencies among their employees. Most respondents admit that their employees are average, at best, in the critical four Cs areas—a distressing situation, since three out of four managers and executives surveyed say these skills will become ever more important in the future.

AMA conducted the 2012 Critical Skills Survey in December, asking 768 managers and other executives about the importance of the four Cs to their organizations. According to the results, executives say they need highly skilled employees to keep up with the fast pace of change in business in order to compete on a global level.

### The AMA 2012 Critical Skills Survey defined the skills as follows:

- **Critical thinking and problem solving**—the ability to make decisions, solve problems, and take action as appropriate
- **Effective communication**—the ability to synthesize and transmit your ideas both in written and oral formats
- **Collaboration and team building**—the ability to work effectively with others, including those from diverse groups and with opposing points of view
- **Creativity and innovation**—the ability to see what's NOT there and make something happen

### Recognizing the Importance of the Four Cs

According to the AMA survey, managers and executives said these skills and competencies have been articulated within their organizations as priorities for employee development, talent management, and succession planning. In fact, the majority agreed that their employees are measured in these skills during annual performance appraisals. In addition, job applicants are assessed in these areas during the hiring process.

*The following skills and competencies have been articulated within my organization as priorities for employee development, talent management, and succession planning in the next one to three years.*

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
<i>Critical thinking</i>	2.2%	8.6%	17.3%	36.4%	35.5%
<i>Communication skills</i>	2.0%	6.5%	15.9%	35.7%	39.9%
<i>Collaboration/team building</i>	2.1%	6.8%	18.5%	38.8%	33.8%
<i>Creativity and innovation</i>	2.9%	10.5%	22.8%	36.1%	27.7%

*Employees in my organization are measured on these skills and competencies during their annual performance review.*

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
<i>Critical thinking</i>	4.3%	10.9%	17.0%	37.3%	30.5%
<i>Communication skills</i>	2.9%	5.8%	16.4%	40.1%	34.8%
<i>Collaboration/team building</i>	4.1%	9.6%	19.1%	40.7%	26.5%
<i>Creativity and innovation</i>	5.4%	14.2%	27.0%	33.9%	19.5%

*My organization makes an effort to assess these skills and competencies when hiring new employees.*

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree</i>
<i>Critical thinking</i>	1.9%	9.0%	20.0%	38.0%	31.1%
<i>Communication skills</i>	1.4%	5.8%	17.4%	43.0%	32.4%
<i>Collaboration/team building</i>	2.7%	10.0%	27.1%	39.4%	20.8%
<i>Creativity and innovation</i>	3.6%	10.7%	32.4%	34.5%	18.8%

### **The Pace of Change in Business Today**

Three out of four (74.6%) managers and executives who responded to the AMA survey said that they believe these skills and competencies will become more important to their organizations in the next three to five years.

They cited the pace of change in business as the most important factor as to why these skills and competencies are becoming more critical; it was rated 61.4% (up from 57.8% in 2010). Global competition was rated second highest at 50.9% (down from 55.1% in 2010), followed by the nature of how work is accomplished today: 30.5% (up from 24.3% in 2010) and the way organizations are structured: 24.8% (up from 21.4% in 2010).

How do you believe your organization will view these skills and competencies (critical thinking, communication skills, collaboration, and creativity) in the next three to five years?

<i>They will become less important</i>	1.4%
<i>They will remain the same</i>	21.4%
<i>They will become more important</i>	74.6%
<i>No opinion</i>	2.6%

Please rate by order of importance why you believe these additional skills and competencies (the four Cs) are taking on relative importance in the business environment.

	<i>Least important</i>	<i>Less important</i>	<i>Neutral</i>	<i>Somewhat important</i>	<i>Most important</i>
<i>Nature of work</i>	1.5%	6.0%	14.4%	47.6%	30.5%
<i>Global competition</i>	0.6%	2.9%	10.6%	35.0%	50.9%
<i>Pace of change</i>	0.2%	1.5%	5.9%	31.0%	61.4%
<i>Organizational structure</i>	2.0%	9.1%	21.6%	42.5%	24.8%

As the economy improves, please rate the following skills and competencies by their level of importance in helping to grow your organization.

	<i>Least important</i>	<i>Less important</i>	<i>Neutral</i>	<i>Somewhat important</i>	<i>Most important</i>
<i>Critical thinking</i>	0.1%	0.3%	2.4%	27.2%	70.0%
<i>Communication skills</i>	0.0%	0.3%	4.2%	31.8%	63.7%
<i>Collaboration/team building</i>	0.0%	0.7%	6.3%	41.5%	51.5%
<i>Creativity and innovation</i>	0.4%	1.4%	6.6%	28.0%	63.6%

### Assessing U.S. Employees' Skills

According to the AMA survey, the number of managers and executives who admitted that their employees were **below average** in these skills and competencies increased in all four areas: by 9.8% in critical thinking (up from 6.2% in 2010); 13.2% in communication skills (up from 10.6% in 2010); 12.4% in collaboration (up from 11.3% in 2010); and 19.7% in creativity (up from 15.6% in 2010).

Managers and executives who rated their employees **above average** in these areas increased both in collaboration (from 46.7% in 2010 to 48.4% in 2012) and creativity (from 37.4% in 2010 to 39.0% in 2012). However, the number of executives who rated their employees **above average** in critical thinking and communication skills dropped (from 51.9% in 2010 to 50.6% in 2012 in critical thinking and from 38.1% in 2010 to 37.9% in 2012 in communication skills).

*As a whole, please rate your employees in terms of their abilities in the following skills and competencies.*

	<i>Lowest ability</i>	<i>Below average</i>	<i>Average</i>	<i>Above average</i>	<i>Highest ability</i>
<i>Critical thinking</i>	0.9%	8.9%	39.6%	40.6%	10.0%
<i>Communication skills</i>	0.5%	12.7%	49.2%	31.2%	6.4%
<i>Collaboration/team building</i>	1.0%	11.4%	39.2%	38.4%	10.0%
<i>Creativity and innovation</i>	2.4%	17.3%	41.3%	32.3%	6.7%

### Addressing the Skills Gap Earlier

The AMA 2012 Critical Skills Survey shows that managers and executives believe it is easier to develop these skills in students and recent graduates (59.1%) than it is to develop them in experienced workers (27.1%), suggesting that students and recent graduates may be more open to new ideas, versus experienced workers with established work patterns and habits.

Mentoring and in-house job training were identified as the most effective methods to improve employees' skill levels in these areas, followed by one-on-one coaching, job rotation, and professional development.

How would you compare the skill levels (critical thinking, communication, collaboration, and creativity) of the experienced workers versus the recent graduates within your organization?

	<i>Lowest ability</i>	<i>Below average</i>	<i>Average</i>	<i>Above average</i>	<i>Highest ability</i>
<i>Experienced workers</i>	1.0%	7.2%	36.4%	44.5%	10.9%
<i>Recent graduates</i>	1.9%	16.5%	45.6%	32.8%	3.2%

Please rate the following methods for developing employees' four Cs.

	<i>Least effective</i>	<i>Less effective</i>	<i>Neutral</i>	<i>More effective</i>	<i>Most effective</i>
<i>Prof. development/Training</i>	1.7%	5.3%	19.6%	55.3%	18.1%
<i>In-house/Job training</i>	1.4%	7.7%	22.9%	46.3%	21.6%
<i>Mentoring</i>	0.9%	3.5%	17.6%	46.0%	32.0%
<i>One-on-one coaching</i>	0.1%	2.4%	10.8%	43.5%	43.2%
<i>Job rotation</i>	2.3%	8.1%	27.9%	43.0%	18.7%

In your opinion, how feasible is it to train/develop these skills and competencies (critical thinking, communication, collaboration, and creativity) in students and experienced workers.

	<i>Very difficult</i>	<i>Somewhat difficult</i>	<i>Neutral</i>	<i>Somewhat easy</i>	<i>Very easy</i>
<i>Students</i>	2.0%	17.7%	21.2%	46.3%	12.8%
<i>Experienced workers</i>	4.9%	42.7%	25.0%	23.4%	4.0%

## Demographics

*What is the size of your organization?*

<i>Under 100 employees</i>	21.3%
<i>100–499</i>	23.9%
<i>500–999</i>	11.2%
<i>1,000–3,499</i>	14.6%
<i>3,500–4,999</i>	5.4%
<i>5,000–9,999</i>	7.0%
<i>10,000 or more</i>	16.6%

*What is your primary function?*

<i>General management</i>	22.1%
<i>Human resources</i>	12.6%
<i>Administration</i>	5.4%
<i>Finance</i>	5.9%
<i>Systems/IT</i>	8.9%
<i>Operations</i>	12.5%
<i>Research &amp; Development</i>	4.3%
<i>Sales</i>	5.7%
<i>Marketing/Communications</i>	6.7%
<i>Other</i>	15.9%

*What is your title?*

<i>CEO/President/Chairman</i>	0.8%
<i>EVP/SVP</i>	0.5%
<i>Vice president</i>	1.8%
<i>Director</i>	19.8%
<i>Manager</i>	41.2%
<i>Supervisor</i>	9.3%
<i>Other</i>	26.6%

*Within which sector does your organization primarily operate?*

<i>Business services</i>	9.7%
<i>Chemicals</i>	1.3%
<i>Consumer goods</i>	2.9%
<i>Education/Training</i>	6.1%
<i>Energy/Utilities</i>	3.9%
<i>Financial services/Banking</i>	9.2%
<i>Food products</i>	2.0%
<i>Government</i>	12.6%
<i>Hi-tech/Telecom</i>	5.2%
<i>Hospital/Health care/Insurance</i>	7.4%
<i>Manufacturing</i>	14.6%
<i>Mining or agriculture</i>	1.1%
<i>Nonprofit</i>	4.6%
<i>Pharma/Biotech/Medical devices</i>	4.4%
<i>Retail</i>	2.5%
<i>Other</i>	12.5%

### About AMA

American Management Association is a world leader in talent development, advancing the skills of individuals to drive business success. AMA's approach to improving performance combines experiential learning—learning through doing—with opportunities for ongoing professional growth at every step of one's career journey. AMA supports the goals of individuals and organizations through a complete range of products and services, including classroom and live online seminars, webcasts, webinars, podcasts, conferences, corporate and government solutions, business books, and research. Organizations worldwide, including the majority of the Fortune 500, turn to AMA as their trusted partner in professional development and draw upon its experience to enhance skills, abilities, and knowledge with noticeable results from day one. For more information, visit [www.amanet.org](http://www.amanet.org)