



eBook

# **Win the Future:** 4 Actions to Create Talent-Building Success

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Learn In is the first talent-building platform designed for companies to solve every barrier that stands in the way of creating tomorrow's workforce.

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## INCREASINGLY REDUNDANT ROLES

**Figure 1**

WEF FUTURE OF JOBS REPORT

### 1 MOST REDUNDANT ROLE

Data Entry Clerks

2

Accounting, Bookkeeping & Payroll Clerks

3

Admin & Executive Secretaries

4

Assembly and Factory workers

5

Accountants & Auditors

6

Client Information & Customer Service

7

Business Services & Admin Management

8

General and Operations Managers

9

Mechanics & Machinery Repairers

10

Human Resources Specialists

Fig. 1

## GLOBAL DIGITAL SKILLS GAP

The global digital skills gap was considered a “crisis” before COVID-19 and has only grown wider during the pandemic. The race to digitize and automate operations for a remote-first world exacerbates an already daunting shortage of workers with the needed skills to meet demand.

The World Economic Forum (WEF) reports that 50 percent of workers will need new skills by 2025--up 4 percent from 2018. Meanwhile, North American businesses spend about \$170 billion per year on employee development --approximately \$1300 per worker. Yet, the skills gap continues to widen.

WEF also found that 94 percent of employers expect employees to pick up needed skills on the job. Another study found that 86% of employees think employers should be responsible. That disconnect may explain despite employee development spending, the skills gap persists.

This e-book outlines the **barriers & biases** that prevent organizations from **reaching upskilling goals** and the **actions** to overcome these barriers and biases to generate a successful, inclusive and scalable **talent-building pipeline**.



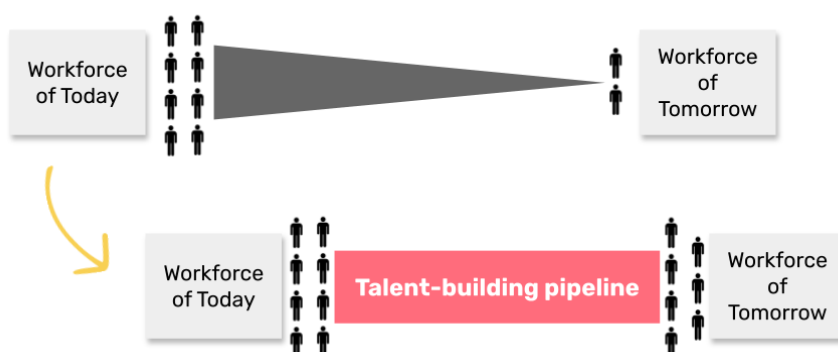
## THE VALUE OF TALENT-BUILDING

Let's start with a shared understanding of terminology. Upskilling is the goal of teaching employees new skills that will aid them in their work. It's on-the-job training that enables workers to build new skills while working in their current environment, which makes learning far more relevant and practical. PwC found that 80 percent of CEOs say new skills are their most serious business challenge.

Talent-building, is the method or approach companies take, through workflows, resources and tools, to deliver on their workforce upskilling goals. Without a method it is hard to reach goals. More importantly, establishing a method, means organizations can turn today's ad-hoc employee development funnel into an always-on talent-building pipeline.

Figure 2

### WORKFORCE FLOW: FUNNEL TO PIPELINE



Does talent-building pay off? Yes, HR industry analyst Josh Bersin crunched the numbers in his article, Rethinking the Build vs. Buy Approach to Talent. He found that training existing workers costs two-thirds less than hiring a new employee, which amounts to a savings of \$116,000 per employee over three years.

At a pure cost level, building talent from within pays for itself compared to replacing an employee. Add the productivity gains and retention, and the benefits multiply.

## **TALENT-BUILDING FOR DIVERSITY, EQUITY, AND INCLUSION**

It is important to recognize that the obstacles to reaching upskilling goals affect some populations more than others -- including women, lower-income, and minority workers.

Employers should ask themselves, "who has the time, money, alignment, and support to upskill voluntarily, and who doesn't."

### **For Example:**

#### **Time**

People with long commutes, dependents at home, or second jobs can't make extra time.

#### **Finances**

People with low savings, financial obligations to family, student loans, or high healthcare costs can't pay in advance.

#### **Alignment**

First-generation college grads, people in their first jobs, English learners, and immigrants unfamiliar with career paths or mentors can't find their way on their own.

#### **Support**

People without leadership guidance and encouragement, reliable internet or updated technology, existing networks, and people who have disabilities need more resources.

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Most DEI initiatives focus on recruiting diversity into the organization.

Talent-building methods can be a powerful diversity engine that enables companies to diversify from within, strengthening their culture and employee loyalty by recognizing and empowering existing workers.



## **UPSKILLING IS HARD**

Learning is required to stay competitive, productive, and to lift employee mobility, yet our view of learning has been dominated by conversations and activity related to sourcing, vetting, and providing access to content, plus building curriculums and course materials. However, we need to zoom out at the organizational level and recognize key barriers that derail learners and the importance of addressing these to ensure every employee has equal access to corporate learning.

**The 4 primary barriers to effective upskilling of employees are:**

### **1 Time**

Employees report that time is the greatest obstacle they face to job-related learning. Lack of time is the reason companies often face low engagement, low completion rates, and high-turnover rates, resulting in ineffective employee development.

### **2 Finances**

For training programs less than a week, most employees seek expense approval from their line managers. However, this process lacks transparency, requires motivated employees, and typically results in training being used as a reward for high performers. For longer programs, Tuition Assistance (TA) is typically offered as a HR employee hiring and retention benefit, disconnected from strategic employee development goals. Critically, while 90 percent of businesses offer tuition help, less than 10 percent of employees are in a financial position (and the time) to benefit from it.

### **3 Alignment**

L&D teams traditionally developed and deployed programs that taught broader skills such as leadership or sales, but it rarely aligned with the immediate needs of the businesses' goals or jobs. And once the training was completed, there's no tracking of ROI or impact. Just 36 percent of the companies that initiate learning programs identify business needs or the performance indicators they want to improve.

### **4 Support**

As mentioned above, there is confusion within businesses about who should drive talent-building initiatives--employees or employers. It's safe to say without support from the top, the three barriers of time, finances, and alignment are not likely to improve.

Because of these barriers, companies have struggled to effectively implement effective upskilling programs -- only 16 percent of executives consider themselves "very prepared" to take on this challenge. Also, these barriers tend to limit access to learning to high earners that have the resources to invest in their own development, exacerbating bias towards upper-income individuals.

So what actions can we take to shift from a funnel to a pipeline?





## ACTION 1: PROVIDE THE TIME

It takes about 480 hours to learn a new skill and be job-ready. That's about 8-10 hours per week or 20 percent of the workweek. Does anyone in your organization have that kind of time to devote to learning? Not during the workday.

**"It takes about 480 hours to learn a new skill and be job-ready. That's about 8-10 hours per week or 20% of the workweek."**

In 2018, the U.S. Bureau of Labor Statistics reported that companies with fewer than 100 employees provided only 12 minutes of training every six months. Organizations with 100 – 500 employees provided just 6 minutes. Expecting employees to learn new skills on their own time is unrealistic and is just not working.

Providing time for employees to learn new skills means employers will have to temporarily accept that the workers will be less productive in their current roles. That can be a hard reality to embrace, as few companies believe that they can afford to slow down. However, consider these facts that suggest the investment is more than worth it:

- ✓ As Bersin found, building talent from within costs **60 percent less** than hiring a new employee. Sacrificing 20-25 percent of productivity in the short run saves money.
- ✓ Also, **74 percent** of workers say they would be more productive at work with more development opportunities.
- ✓ And 94 percent of employees say that they would **stay at a job longer** if they were able to learn new skills.

### TAKE ACTION

- ☐ Give employees time to learn (i.e. 3 hrs/week).
- ☐ For strategic job roles, offer part-time work or Learning Fridays to accelerate internal mobility.
- ☐ Understand employee growth goals and build a plan, together.




# 90%

OF BUSINESSES OFFER  
TUITION HELP FOR LEARNING

LESS THAN

# 10%

OF EMPLOYEES USE IT.

## ACTION 2: PROVIDE THE DIME

The cost to upskill an employee can range from \$500 to WEF's calculation of \$24,000 per worker. Compare this to the \$1300 average per employee learning and development spend which is typically not used towards upskilling goals. Further, when exploring most tuition assistance (TA) programs, more than 95% of them expect the employee to front the costs before the company reimburses the tuition after course completion. Employees with fewer resources can't afford to pay thousands in tuition upfront. Little wonder why just 5 percent of employees use TA programs.

The low uptake of TA is a problem. Companies and employees are missing out on significant benefits. The Lumina Foundation found that:

- ✓ Companies can achieve 144 percent ROI from increased productivity and hiring cost savings
- ✓ Only 2-5 percent of eligible employees use TA programs
- ✓ Just 43 percent of workers know if their employer offers TA
- ✓ Only 5 percent of companies even track ROI for their programs

### TAKE ACTION

Here are Talent Industry's recommendations for how to boost participation in tuition assistance programs:

- ☐ Promote tuition assistance programs frequently and track outcome data to prove ROI.
- ☐ Pay for tuition up-front instead of through reimbursement.
- ☐ Help employees get college credit for on-the-job-learning.
- ☐ Use multiple models of talent building from traditional degree programs to boot camps and GED courses.
- ☐ Offer incentives like completion bonuses for employees that finish programs and apply skills.

Figure 3

## HERE'S WHAT JOB TRAINING LOOKS LIKE:

JOB CENTRIC UPSKILLING ANALYSIS FROM DELOITTE



Fig. 3

Job Seeker

Unspecified Jobs

Hired or Not?





## ACTION 3: GET IN STEP

With traditional job training, companies or third party training programs teach individuals the general skills they think the company needs. They mostly miss the mark, as just 12 percent of learners say they apply the skills they learn from company programs. It's another reason learning is best done on-the-job--workers learn skills as they work. Deloitte calls this "jobs-centric" skill building (SEE FIG. 3) -- focusing on the jobs that need to be done instead of on the general skills you might think an employee needs.

### TAKE ACTION

The **six crucial steps** to aligning your talent-building pipeline with jobs are:

- 1 Routinely ask new hires and current employees about their career growth goals.
- 2 Perform a detailed inventory of the skills you have.
- 3 Identify the skills you will need in the next 1-5 years. The C-Suite should forecast skills needed in one year, two years, and five years or more, and map out a strategy to bridge the skills gap by empowering employees to upskill.
- 4 Develop leveling of skills from basic, intermediate and advanced.
- 5 Select the best candidates to move from current to future skill sets at each level (to establish a baseline of shared knowledge and language)
- 6 Create plans specific to each skill migration path.



## ACTION 4: SHOW SUPPORT

Few employees can complete 480 hours of learning without significant support from their companies and their managers. Some of the ways companies can create a talent-building pipeline has already been mentioned--provide the time, rethink financing, and align programs with jobs. LinkedIn's 2020 Workplace Learning Report found that "Getting managers to make learning a priority for their teams" is learning leaders' number one challenge.

### TAKE ACTION

- ☐ **Organize onboarding** Create detailed plans to map employees to the skills they will learn - don't assume they know because they already work for the company.
- ☐ **Form cohort groups** Provide opportunities for people to interact before, during, and after learning sessions to share their experiences and challenges.
- ☐ **Hold regular check-ins** Have a manager or HR rep check in with employees to ask about their progress, challenges, and blockers. At the company level, upskilling should be a consistent part of the conversation.
- ☐ **Provide mentoring** Pair upskilling employees with accessible, longtime employees in the new department. Accept only mentors who are willing and excited to support new employees. Further, connect employees with career coaches to help them understand upskilling options.
- ☐ **Celebrate Upskilling** Showcase examples of employees who have upskilled and advanced, and take care to ensure representation of all backgrounds.







## END-TO-END EMPLOYEE CAPABILITY DEVELOPMENT

To achieve upskilling goals, we can no longer afford to approach the above barriers with a piecemeal approach. The old thinking of training or education opportunities, for leaders, high performers, or as a benefit for employees where only the most motivated can complete, isn't going to deliver on upskilling goals or create the talent-building pipeline. When learning and development is a HR benefit disconnected from strategy, the barriers aren't worth overcoming and no one wins. The results is that employees are left to chart their own training courses and upward mobility - which is a lot to ask.


What is needed is a cohesive end-to-end employee capability development plan including cross-functional responsibilities within your Talent team, L&D team, and Benefits team to help build, launch, manage, and maintain your talent-building pipeline. Plus, your company's talent management strategy should incorporate learning, and must be a key component of the talent-building pipeline.

This approach allows for a single hub where managers, admins and employees define goals, create incentives of money and time, get connected to programs that can reach those goals, and schedule, enroll, pay for, complete, and measure outcomes like completion and career progression, all in one place.

To get there, employers need to embrace the need for a talent-building pipeline from within and provide the time, finances, alignment, and support employees need. Start with small actions, like the ones we've identified above, because those that do so stand to dramatically improve the quality, velocity, and effectiveness of upskilling initiatives.

These are businesses that, according to WEF, will "win the future."





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for companies to solve every barrier that stands in the  
way of creating tomorrow's workforce.

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