Thriving in the Global Skills Shortage

Your Path Through the Wilderness

cornerstone

What's Inside

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Executive Summary

Since the pandemic first swept across the globe, much has changed in the world of work. Out of necessity, we conducted a global experiment in remote and hybrid work. Employers were forced to contend with economic threats and learn how to adapt.

Yet it would be wrong to say that the challenges organizations have faced over the past two years can be entirely attributed to COVID-19. In many cases, the pandemic has exacerbated or accelerated issues that already threatened organizations. Digital transformation projects, which were slated to take years, instead took months, pushing organizations to the limits of their agility. The global need to reskill employees, which has loomed in our future long before COVID, came into focus.

Regardless of the origin of these challenges, we can all agree that for most organizations, the past two years have been chaotic. COVID-19's impact is deep, unprecedented, and continues to surface many unknowns. But, in a testament to human endurance and creativity, some organizations and individuals were able to adapt in ways that enabled them to counter the disruptions of the pandemic, setting them up to address the longer-term talent shortages they face.

In [Cornerstone's 2020 Global Skills Report](#), we found that employers and employees were united on the impact of COVID-19 and the importance of skills for future growth. Employees recognized the importance of developing new skills as crucial to their personal growth and employers could see that the skills development

of their people was essential to driving growth and innovation. However, we also discovered a statistically significant gap between employees and employers on their confidence in organizations' ability to support skill development effectively. We termed this very important finding **"The Skills Confidence Gap."**

In our 2022 report, we expanded our research scope to get a truly global picture of how employers and employees view their organizations' continued investment in skills, their ability to influence talent and business outcomes, and their response to the pandemic. We also examined how organizational performance factored into those investments.

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Among our key findings, we discovered:

- Organizations and their people continue to see skills development as an increasingly important part of navigating their shared future

- The employer–employee confidence gap on skills development **(The Skills Confidence Gap)** — measuring the difference between employee and employer perception of the effectiveness of these programs — not only persisted from 2020 but, on average, grew wider

- High Performing Organizations have a much smaller Skills Confidence Gap compared to the average organization

- High Performing Organizations demonstrated significantly different results across every learning and talent outcome we surveyed

- When organizations create learning programs that employees value, it substantially increases the employee demand for development resources — a virtuous cycle

- Despite the uncertainty caused by COVID-19, most organizations are perceived as having been effective in their COVID-19 response

As a focal point of this year's study, we decided to identify what it looks like when an organization truly excels. What does it look like when an organization is able to respond effectively to the problems of the day while still navigating a path through uncharted wilderness into a future that benefits both employees and the bottom line?

To that end, in this report we compared **High Performing Organizations** with **Average** and **Laggard Organizations** in their approach to skills development, overall talent strategy, and even how they reacted to the pandemic.

We believe High Performing Organizations are blazing a trail through often uncharted territory that other organizations can follow and even improve upon.

Typified by industry-leading profitability, low turnover, and high employee NPS scores among other measures of performance, we found that High Performing Organizations are also significantly more likely to:

✦ Report a low employee-to-employer skills confidence gap on skills development ability

✦ Receive high marks from employers and employees alike on their COVID-19 response

✦ Invest heavily in their people and their skills as a strategy to grow, innovate, and perform in an era of uncertainty

Becoming a High Performing Organization, with demonstrated business results, goes hand in hand with developing the skills of your workforce, and being aligned with employee perceptions, needs, and desires.

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2020 vs. 2022:
What Changed?

Conversations surrounding the urgent need for new skills are nothing new: In January 2020, the World Economic Forum launched the [Reskilling Revolution](#), a worldwide initiative to provide one billion people with better education and skills by 2030.

The need for new skills, however, was greatly exacerbated by the changes to the workplace brought about by the pandemic and other ensuing disruptions.

Using reskilling as a catch-all term for skills development is problematic. In previous research, we defined a term that was inclusive of upskilling, reskilling, and new skill development as "new skilling."

Our [2020 Skills Report](#) was fielded in early 2020. Conducted just weeks after the World Health Organization first declared COVID-19 a global pandemic, the study uncovered an incredibly timely look at the skills landscape just as organizations and employees began to feel the effects of the pandemic. That study was fielded to 1,000 full-time employees and 500 organizational leaders across the globe and in a variety of industries.

The study surfaced an urgent global need for skills development, but a landscape fraught with inconsistencies and gaps. Organizational leaders acknowledged the importance of skills and often felt confident in their organization's ability to meet future business demands. Employees, on the other hand, were much less confident in their organization's ability to provide critical skills development opportunities. The study uncovered a statistically significant 30-percentage-point gap between the confidence employees and employers had in organizational skills development abilities and gave voice to an employee base that is uncertain of what the future holds.

2020 Skills Confidence Gap

30 pt. gap

Employers   **Employees**
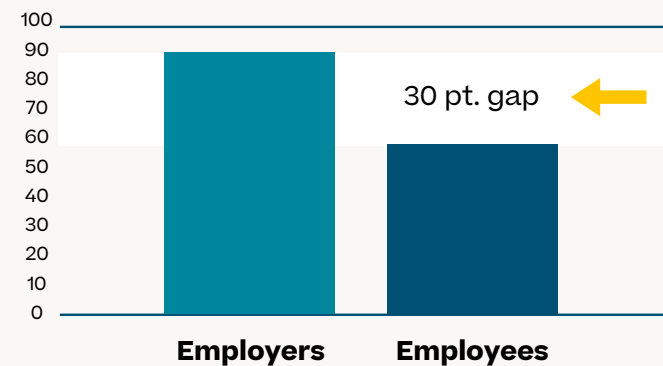
The term "new skilling" represents all types of continuous learning to help build high-demand skills, whether an individual is trying to upskill current capabilities or they need complete reskilling to build entirely new capabilities.

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For this iteration of the report, we wanted to build on the results of 2020 while also expanding the scope and breadth of the study. We expanded the reach of our research, investing additional resources to cover more countries to ensure a global view of skills development from both employers and employees.

Employer respondent profile

Region

North America (NAMER)	Europe, Middle East & Africa (EMEA)	Asia Pacific (APAC)
300	275	240

Role

President/Founder/Owner	C-level Executive	Vice President/SVP/EVP	Director/Senior Director	Manager/Supervisor
67	265	37	182	264

Size of organization

500-999	1,000-2,499	2,500-4,999	5,000-9,999	10,000-19,999	20,000-49,999	50,000+
211	177	164	84	62	47	70

815 total

Employee respondent profile

Region

North America (NAMER)	Europe, Middle East & Africa (EMEA)	Asia Pacific (APAC)
700	500	600

Size of organization

500-999	1,000-2,499	2,500-4,999	5,000-9,999	10,000-19,999	20,000-49,999	50,000+
389	308	217	274	155	134	323

1,818 total

Employment status

Full-time	Part-time	Contract
1,494	288	36

While the purpose of this study is to provide a broader understanding of how employers and employees are responding to our current and future challenges, it is also our intention to describe the wilderness we're all walking through.

We hope that this will help you better navigate your own path and draw a map to a few shortcuts for solving key talent and business challenges. We believe that High Performing Organizations, as defined on the next page, represent the future of work.

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How do we define High Performing Organizations?

Building on the **Skills Confidence Gap** uncovered by the 2020 Skills Report, we expanded our research this year to compare how organizations of different performance levels have each taken on the challenges of the past two years. We focused particularly on High Performing Organizations, or those that outpace their peer group, to help uncover what successful businesses have in common with each other and how their behaviors regarding new skilling sets them apart.

To do so, we asked respondents to rate their organization across 16 key talent and business categories including employee development, diversity and inclusion, customer satisfaction, revenue and profitability. The ratings were aggregated into a composite score and statistically analyzed to segment respondent organizations into three categories: Laggards, Average Performers, and High Performers.

What do High Performing Organizations do differently?

Respondents whose scores placed them in High Performing Organizations showed overwhelmingly different responses to their Average and Laggard counterparts. High Performing Organizations were perceived as doing exceptionally well in a key people areas compared to the Laggards.

As we dive deeper into this report, you'll see that High Performing Organizations aren't just highly rated across the board for business and talent practices. From investing in key programs to driving employee satisfaction, **High Performing Organizations differ significantly from Laggard and Average Organizations across almost every measure.** These organizations also give us a map to follow as we navigate new unknowns in the future of work.

Employee rating

Employee training/development
96% vs. **76%**

Profitability
98% vs. **77%**

Business/franchise expansion
98% vs. **71%**

Adaptation and organizational agility
95% vs. **46%**

Regulatory/environmental compliance
100% vs. **67%**

■ High Performing   ■ Laggard

Both employers and, maybe most importantly, employees rate High Performing Organizations incredibly well on executing the fundamentals of skills development.

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COVID-19 Casts a Long Shadow on the Workforce

Prior to fielding this study, we hypothesized that the negative perceptions surrounding COVID-19 and its impacts would have improved compared to those uncovered by the 2020 survey. Instead, this year's survey found that employee and employer perceptions have become more pessimistic and that, in some cases, the gap between employee and employer answers slightly widened.

Across employees and employers, respondents in 2022 agreed less with the effectiveness of their organization's response to the pandemic and reported a lessened sense of company support. Concerningly, the difference in agreement between 2020 and 2022 respondents was significantly higher for employees than employers, suggesting that policies enacted by business leaders may have in many cases fallen short of actual employee needs.

	Employers		Employees	
	2020	**2022**	**2020**	**2022**
I have felt personally supported by my company and its policies as we respond to the pandemic	90%	↓ 85%	77%	↓↓ 65%
Our organization was effective in responding to the pandemic	93%	↓ 87%	83%	↓ 76%

Despite the inevitable pain points our findings suggest, we believe that the data presents us with a generally positive narrative. When asked about how disruptive COVID-19 was to work experience, employees and employers believed it was significantly less disruptive than either cohort believed it would be in 2020. And when asked about how confident they were in their organization's ability to face future challenges and disruptions, the vast majority of all respondents seemed optimistic.

When asked about how disruptive COVID-19 was to work experience, employees and employers believed it was significantly less disruptive than either cohort believed it would be in 2020.
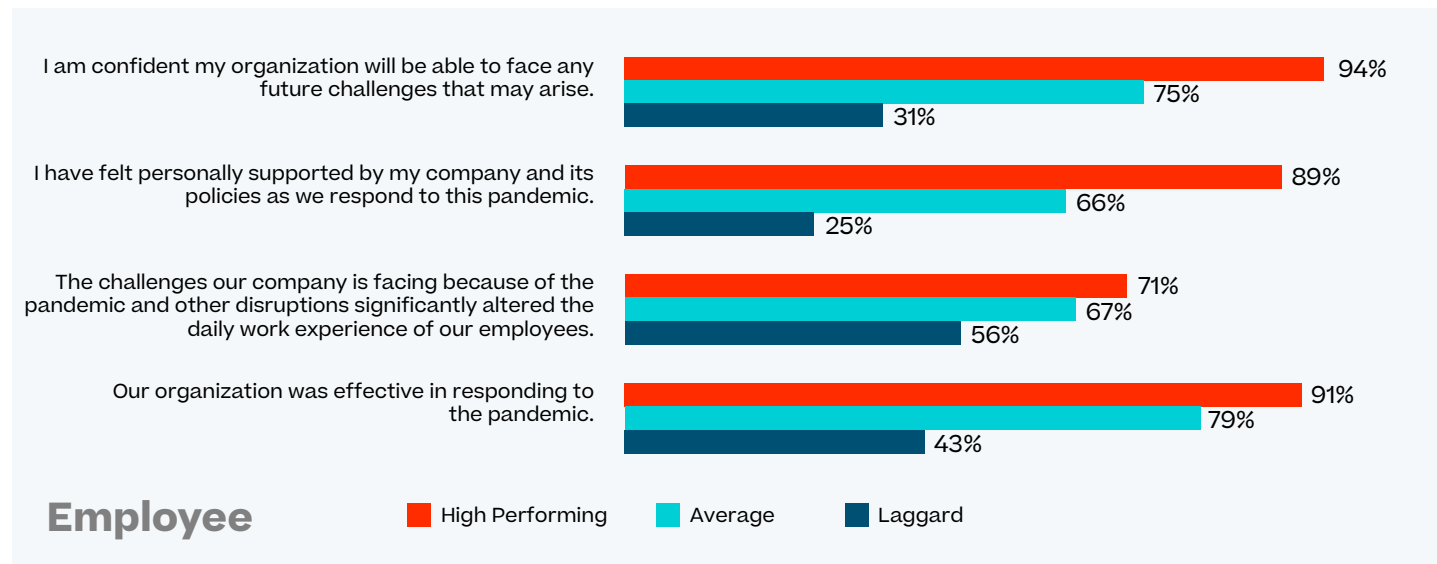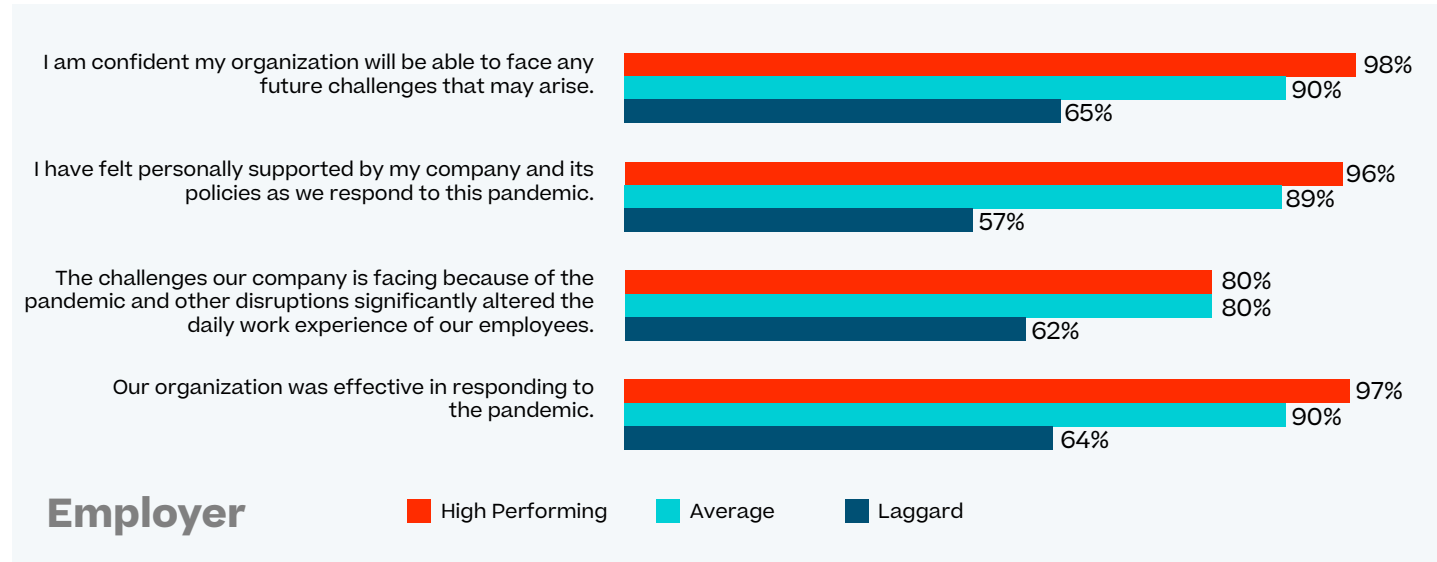
High Performing Organizations got COVID-19 response overwhelmingly right

Examining our three organization types revealed that High Performing Organizations were perceived to have provided a much better COVID response than Average and Laggard Organizations across employee and employer groups.

Notably, employees of High Performing Organizations gave overwhelmingly positive responses and reported feeling a level of support from their company that far outpaced the total employee respondent average. Laggards, on the other hand, fall significantly behind everyone else on all response categories, but most notably in personal support as perceived by employees. This cohesion and agreement between both cohorts was duplicated through the survey.

Employer

I am confident my organization will be able to face any future challenges that may arise.
- High Performing: 98%
- Average: 90%
- Laggard: 65%

I have felt personally supported by my company and its policies as we respond to this pandemic.
- High Performing: 96%
- Average: 89%
- Laggard: 57%

The challenges our company is facing because of the pandemic and other disruptions significantly altered the daily work experience of our employees.
- High Performing: 80%
- Average: 80%
- Laggard: 62%

Our organization was effective in responding to the pandemic.
- High Performing: 97%
- Average: 90%
- Laggard: 64%

Legend: High Performing | Average | Laggard

Employee

I am confident my organization will be able to face any future challenges that may arise.
- High Performing: 94%
- Average: 75%
- Laggard: 31%

I have felt personally supported by my company and its policies as we respond to this pandemic.
- High Performing: 89%
- Average: 66%
- Laggard: 25%

The challenges our company is facing because of the pandemic and other disruptions significantly altered the daily work experience of our employees.
- High Performing: 71%
- Average: 67%
- Laggard: 56%

Our organization was effective in responding to the pandemic.
- High Performing: 91%
- Average: 79%
- Laggard: 43%

Legend: High Performing | Average | Laggard

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Throughout our study, there is a strong positive correlation between providing support and opportunities for employees and the overall business performance of an organization.

Organizations that fall behind in business objectives and performance tended to fall behind in a number of other categories. Across almost the entire survey, **gaps in employee and employer perceptions were largest for Laggard Organizations,** suggesting a lack of cohesion and effectiveness.

While Average Organizations rated themselves higher in other areas, **the Skills Confidence Gap** between employees and employers is often similar to Laggard Organizations. This finding is seen in other areas of the research and should serve

as a word of caution to any organization that considers itself to be in the middle of the pack. Employees in both Laggard and Average Organizations often do not perceive their employers' efforts the same as the employers themselves do, again suggesting a lack of cohesion.

High Performing Organizations showed only a small discrepancy between employee and employer sentiment, both of which were strongly positive. This was a significant finding in our results that provides a basis for our recommendations.

The Employee–Employer Skills Confidence Gap Remains — and Expands

How are organizations working to close skills gaps today? How well are we doing in the eyes of our key stakeholders: our employees? Did we improve from the Skills Confidence Gap that was present in 2020? Let's take a deeper look at the numbers.

In 2020, we uncovered the **30-percentage-point employee–employer confidence gap** between employers who believed that they were delivering skills to employees and employees' confidence in their employer's ability to develop their skills.

That gap didn't close in the latest research, unfortunately. While employer confidence in their ability to understand and deliver on their needs rose in 2022, employee confidence actually decreased by five points with **just 55%** of them **saying that their organization's skills development was a priority.**

2020 Employer — Employee Confidence Gap
Employer statement: I feel confident in our ability to develop the skills of our employees.
Employee statement: I feel confident in my organization's ability to develop my skills.

Employers	40%	50%	6%	4%	90%
Employees	12%	48%	27%	10%	3%	60%

±30%

In 2022, only 55% of employees are confident in their organization's prioritization in developing new skilling opportunities for them. Whether it be related to time, focus, adequate resources or other reasons, employees are not confident that their organizations are making it a priority.

2022 Employer — Employee Confidence Gap
Employer statement: I feel confident in our ability to develop the skills of our employees.
Employee statement: I feel confident in my organization's ability to develop my skills.

Employers	37%	49%	9%	3%	86%
Employees	15%	40%	28%	12%	4%	55%

±31%

Regardless of how we ask the question, this data demonstrates that a major gap persists and is growing between how organizations view their ability to deliver on skills development and how employees are experiencing it. Employees will clearly need skills development to be competitive in a rapidly changing world. Closing the Skills Confidence Gap must be a top priority for organizations as we chart a course to the future.

The Skills Confidence Gap isn't universal: High Performing Organizations have a smaller gap
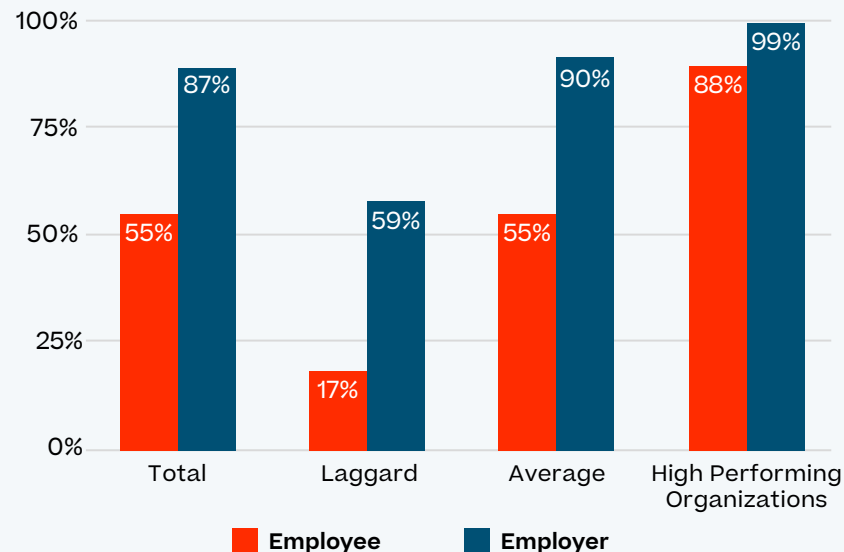
Not every organization is affected equally by the skills confidence gap. While Laggard Organizations struggled with cohesion between employees and employers, High Performing Organizations show a much smaller gap in perceptions of the importance of skills development.

While Laggard Organizations struggled to even see the same challenges as their employees on their own pessimistic reports of skill development importance, High Performing Organizations show a much smaller gap between employee and employer perception.

High Performing Organizations not only prioritize skill development at a much higher level, but their employees also agree with them that the investment is working — **with just an 11-percentage-point gap between employers and employees** in their perceived

effectiveness. Meanwhile, Laggard employers not only rate their prioritization of skill development much lower, **but less than 20% of employees** in those organizations also agree that skills development is an important objective to their organization — **a large 42-percentage-point gap.**

This pattern in the confidence gap isn't just for this particular question about skills development prioritization. **In fact, our research found differences in gaps between Laggard and High Performing Organizations across employee and employer views on leadership development, internal mobility, employee engagement, retention, quality of hire, and diversity and inclusion. We explore that data on the next page.**

In the past 18 months, skills development has become an increasingly important business objective in my organization.

	Total	Laggard	Average	High Performing Organizations
Employee	55%	17%	55%	88%
Employer	87%	59%	90%	99%

Employee **Employer**

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The difference in average agreement between Laggard and High Performing Organizations

	Employee How Successful	Employer How Successful
Employee development	2.39	1.91
Leadership development	2.47	1.87
Internal mobility	2.30	1.82
Employee engagement	2.44	1.99
Diversity and inclusion	2.29	2.01
Quality of hire	2.43	1.80
Retention	2.18	1.87

The survey gauged the level of strength in a variety of areas by asking for agreement levels on the extent of success (employee) and investment focus (employer).

When we look at the confidence gap in more detail, and compare the average agreement scores, you can see that the differences in Laggard Organizations versus High Performing Organizations persist across key people strategies. We can clearly see this "confidence gap difference" in the data. This helps indicate where progress is being made, and where more focus is needed.

Regions have similar Skills Confidence Gaps

Regional differences follow the same general pattern, although there was some variation. When looking at the core question of confidence in the organization,

employers in the regional findings rated themselves similarly high overall, with those in Asia-Pacific more closely aligned to their employees. Overall employee

confidence was much lower in the Asia-Pacific region, while employer sentiment was more confident in North America.

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Skills Development Today: Employees and Employers Still Lost in the Wilderness
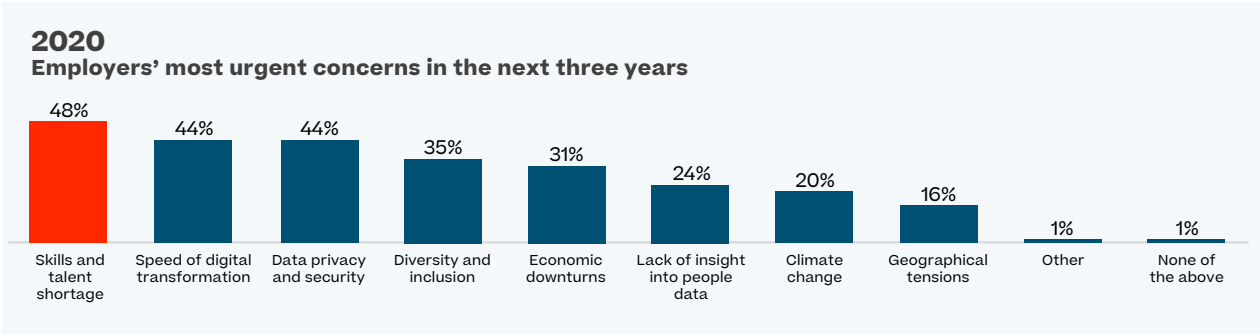
Understanding skills development was a central theme in this report and our 2020 report as we focused most of our research on understanding the appetite and delivery of skill development.

Over the past two years, employers have shown that they see the critical importance of skills to their ambitions and futures. When asked about their organization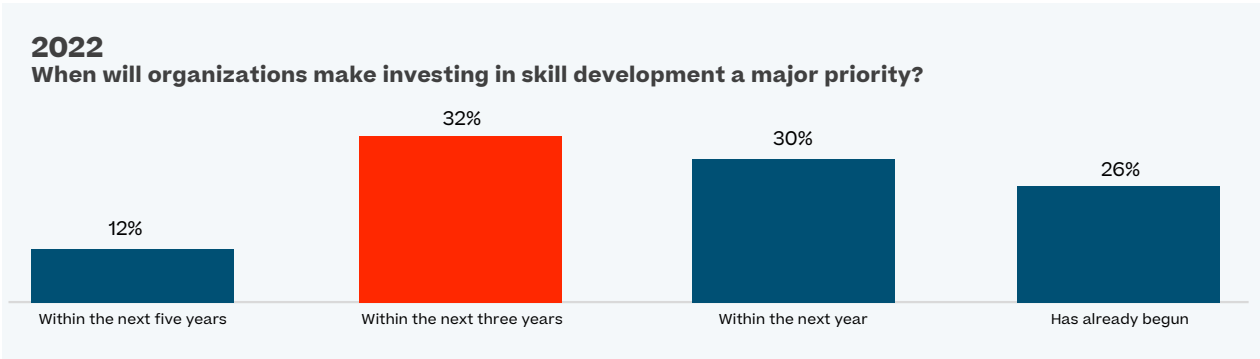's most urgent concerns within the next three years, **48% of all employers placed skills and talent shortage within their top three concerns.**

2020
Employers' most urgent concerns in the next three years

Skills and talent shortage	Speed of digital transformation	Data privacy and security	Diversity and inclusion	Economic downturns	Lack of insight into people data	Climate change	Geographical tensions	Other	None of the above
48%	44%	44%	35%	31%	24%	20%	16%	1%	1%

In the 2020 Skills Report, we discovered that, in recent years, employers were prioritizing skills development. This year we asked employers to look at their projected future investments in skills.

2022
When will organizations make investing in skill development a major priority?

Within the next five years	Within the next three years	Within the next year	Has already begun
12%	32%	30%	26%

As a global report, we evaluated answers by region as well. While skills and talent shortage are a top concern across regions, there are some differences in how organizations rank other top concerns depending on where on the globe an organization is located.

✦ Speed of digital transformation and skills and talent shortages are highly rated in EMEA above most other concerns.

✦ Concern about data privacy and security is on the rise in North America.

✦ Diversity and inclusion is higher in both North America and Asia-Pacific.

✦ EMEA concerns about climate change and geopolitical tensions were higher than North America or Asia-Pacific.

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Not surprisingly, **56% of employers signaled that significant prioritization of skills development was expected to occur within the next year** or had already begun, while only 12% believed it would not occur until the next five years.

However, timing varied widely. In looking at High Performing Organizations, we found that **72% of respondents** reported that **prioritization was expected to occur within the next year,** with 47% having already begun. Average Organizations have it on the near-term radar. Laggards, on the other hand, trended toward longer time frames.

As we looked at regional breakdowns in the data, an interesting dynamic came up. Our research showed **30% of EMEA employers had already begun prioritizing developing skills of the future,** compared to 24% in other regions. North America led the way when we moved on to prioritization within the next year.

Legend: ■ Laggard ■ Average ■ High Performing

	Within the next five years	Within the next three years	Within the next year	Has already begun
Laggard	20%	48%	20%	12%
Average	9%	33%	34%	24%
High Performing	15%	13%	25%	47%
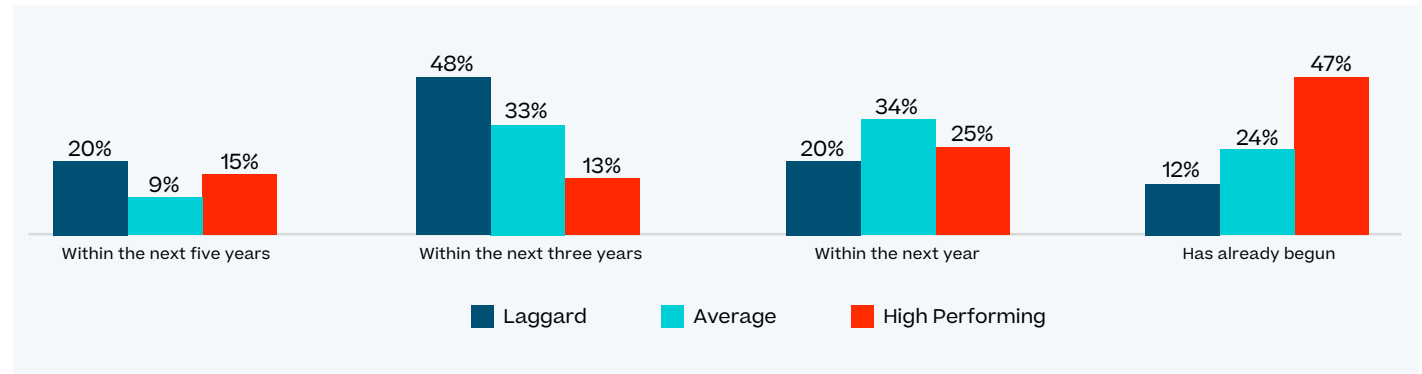
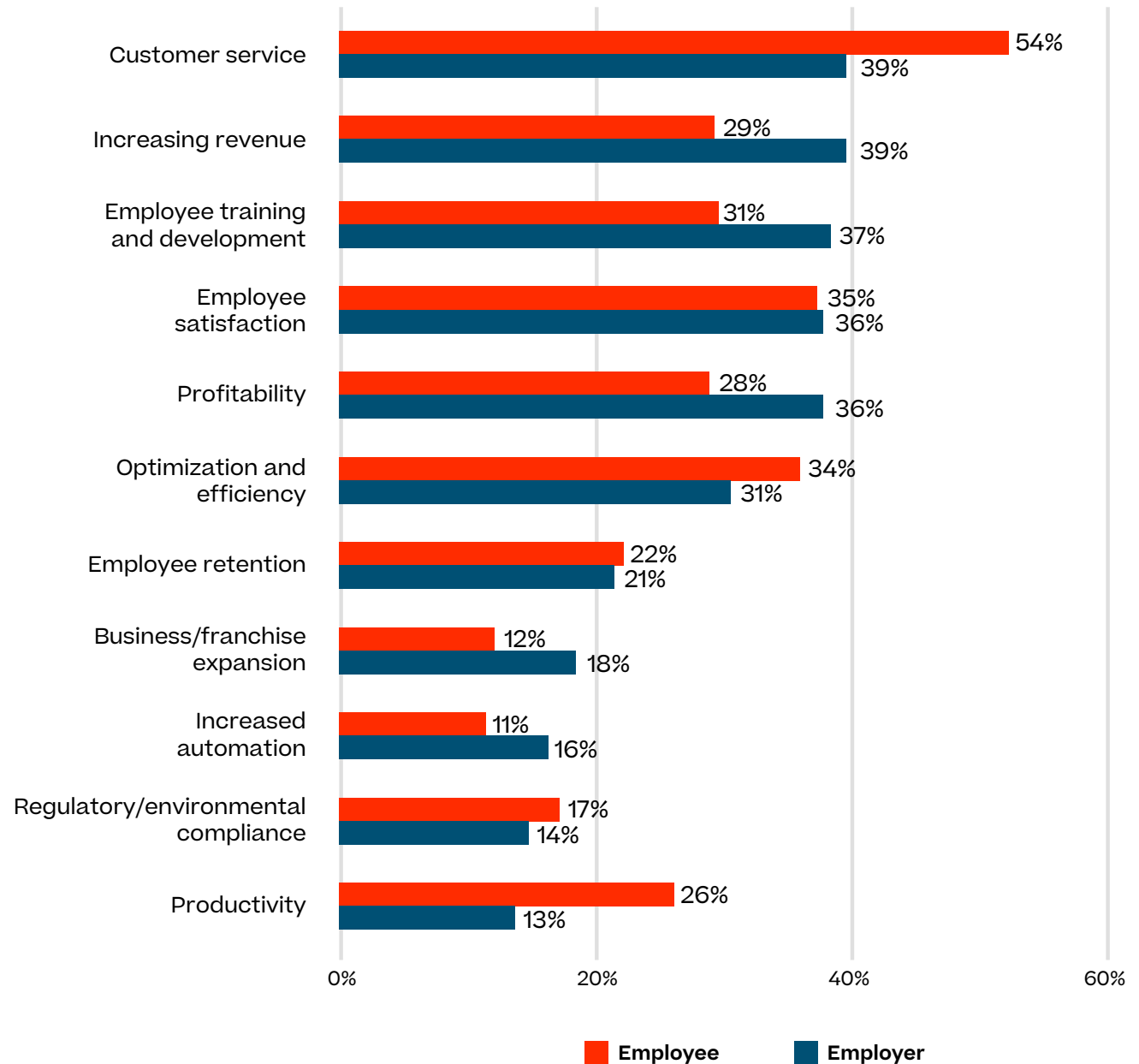## High Performing Organizations have already started making significant investments in skills

The good news is that organizations are investing more in skills development. In fact, **21% of organizations have increased their spending significantly** over the past year and a half. Combined with those who spent slightly more on skills development (48%), that shows that 69% of organizations are increasing their investment.

Our research also shows that High Performing Organizations are spending significantly more money and devoting more resources to learning and development than Laggard Organizations.

Nearly half of High Performing Organizations increased their spending significantly compared to just 10% of Laggard Organizations. **Laggard Organizations are nearly 3x more likely to have stalled their investment** in skills development compared to High Performing Organizations.

Training and development: One of the most critical business success factors

Our study also uncovered that training and development were top of mind for both the employee and employer audiences. When asked to select which factors matter most to business success, employees and employers agreed on the importance of training and development and employee satisfaction. In fact, customer service and revenue were the only factors considered more important for employers. For employees, they ranked training and development similarly to employee satisfaction and optimization and efficiency.

Category	Employee	Employer
Customer service	54%	39%
Increasing revenue	29%	39%
Employee training and development	31%	37%
Employee satisfaction	35%	36%
Profitability	28%	36%
Optimization and efficiency	34%	31%
Employee retention	22%	21%
Business/franchise expansion	12%	18%
Increased automation	11%	16%
Regulatory/environmental compliance	17%	14%
Productivity	26%	13%

■ Employee ■ Employer

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Employee training and satisfaction set High Performing Organizations apart

We also asked employers to rate how relevant they believed skills development would be in reaching their selected top three goals. Across the board, employers believed skills development would be extremely important across all categories, especially for productivity and customer service.

We were able to uncover what key business goals High Performing Organizations found most relevant to organizational success. This cohort presented a distinct set of answers that gave us further insight into how employers and employees of these organizations think differently.

Interestingly, employees at High Performing Organizations placed employee training and development as their second most important priority while it ranks seventh for employees from Laggard Organizations. **What Laggard and Average employers say is important isn't what employees of those organizations experience.**

	Employees				Employers			
	Total	**Laggard**	**Average**	**High Performing**	**Total**	**Laggard**	**Average**	**High Performing**
Customer service	54%	50%	54%	59%	39%	40%	36%	48%
Increasing revenue	29%	29%	29%	28%	39%	31%	38%	47%
Employee training and development	31%	26%	29%	42%	37%	34%	38%	36%
Employee satisfaction	35%	27%	34%	44%	36%	31%	39%	31%
Profitability	28%	33%	28%	27%	36%	43%	36%	30%
Optimization and efficiency	34%	33%	36%	24%	31%	29%	33%	23%
Employee retention	22%	24%	24%	14%	21%	23%	23%	13%
Business/franchise expansion	12%	11%	12%	13%	18%	18%	16%	28%
Increased automation	11%	15%	10%	10%	16%	19%	15%	19%
Regulatory/environmental compliance	17%	22%	17%	13%	14%	18%	13%	18%
Productivity	26%	28%	27%	24%	13%	13%	14%	7%

High Performing Organizations show cohesion with employees

In the employer-side survey, High Performing Organization respondents chose **increasing revenue, employee satisfaction, customer service,** and **employee training and development** as the four categories most relevant to business success. These were the same top four selected by employees working in High Performing Organizations.

Our data across the full report suggests this isn't an aberration. High Performing Organizations and their employees share close alignment and cohesion in ways that Laggard and Average Organizations do not.

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Where Do Your People Go for Skills Development?

How High Performing Organizations Close the Confidence Gap!

	Total	Region		
		North America (NAMER) + Central and Latin America (LATAM)	**Europe, Middle East and Africa (EMEA)**	**Asia-Pacific (APAC)**
Internal company mentors	33%	34%	26%	37%
External mentors	18%	16%	13%	23%
Independent internet research	**39%**	38%	35%	42%
Internal career guides	31%	32%	30%	31%
My organization's skills and development platform	**36%**	35%	34%	40%
My immediate manager	34%	35%	38%	30%
Social media	14%	14%	14%	16%

With all the career development resources available to employees both inside and outside their workplaces, it can be hard to grasp what employees need and expect from their organization. In a time where anything learnable seems to be just a YouTube video away, business leaders may feel skeptical about investing in internal career content and resources.

Our study found that while employees rely highly on independent internet research for career development information, they balance that through significant use of internal resources, relying on these resources far more than organizations may often think. On this employee question, internal skills platforms came in as a close second to external sources, while mentors, career guides, and direct managers were each selected by at least a third of all respondents.

Globally, 40% of employees from Asia-Pacific reported using their organization's skills and development platform, the highest of any region. They, along with North American respondents, also reported leaning heavily on internal company mentors in seeking career development guidance. In South America, more respondents reportedly looked to their immediate manager than even independent internet research.

Employees are seeking career development guidance from their organizations in many ways and through multiple paths. Their reliance on mentors, internal skills development platforms, and even internal career guides suggest that employees will not respond to yet another one-size-fits-all solution. Our research indicates that **organizations need to offer a wide range of resources** to effectively support employee growth and development.

High Performing Organizations recognize the opportunity and guide employees in their development

High Performing Organizations once again showed they do things differently compared to Average and Laggard Organizations. In High Performing Organizations, employees rely heavily on their skills and development platform, internal company mentors, and immediate manager. Mentors and managers, in particular, can offer personalized advice about career paths while High Performing

Organizations' investment in technology platforms makes those useful tools for career and growth opportunities.

Meanwhile, Laggard Organizations depend on employees doing their own research on the internet about career opportunities. Laggard Organization employees are less willing to engage their immediate manager and they

are less than half as likely to explore information in using their employer's skills and development platform. The entire approach ensures that employees feel out of sync with their employers. In short, Laggard Organizations don't give employees as much guidance and resources as High Performing Organizations — and it shows.

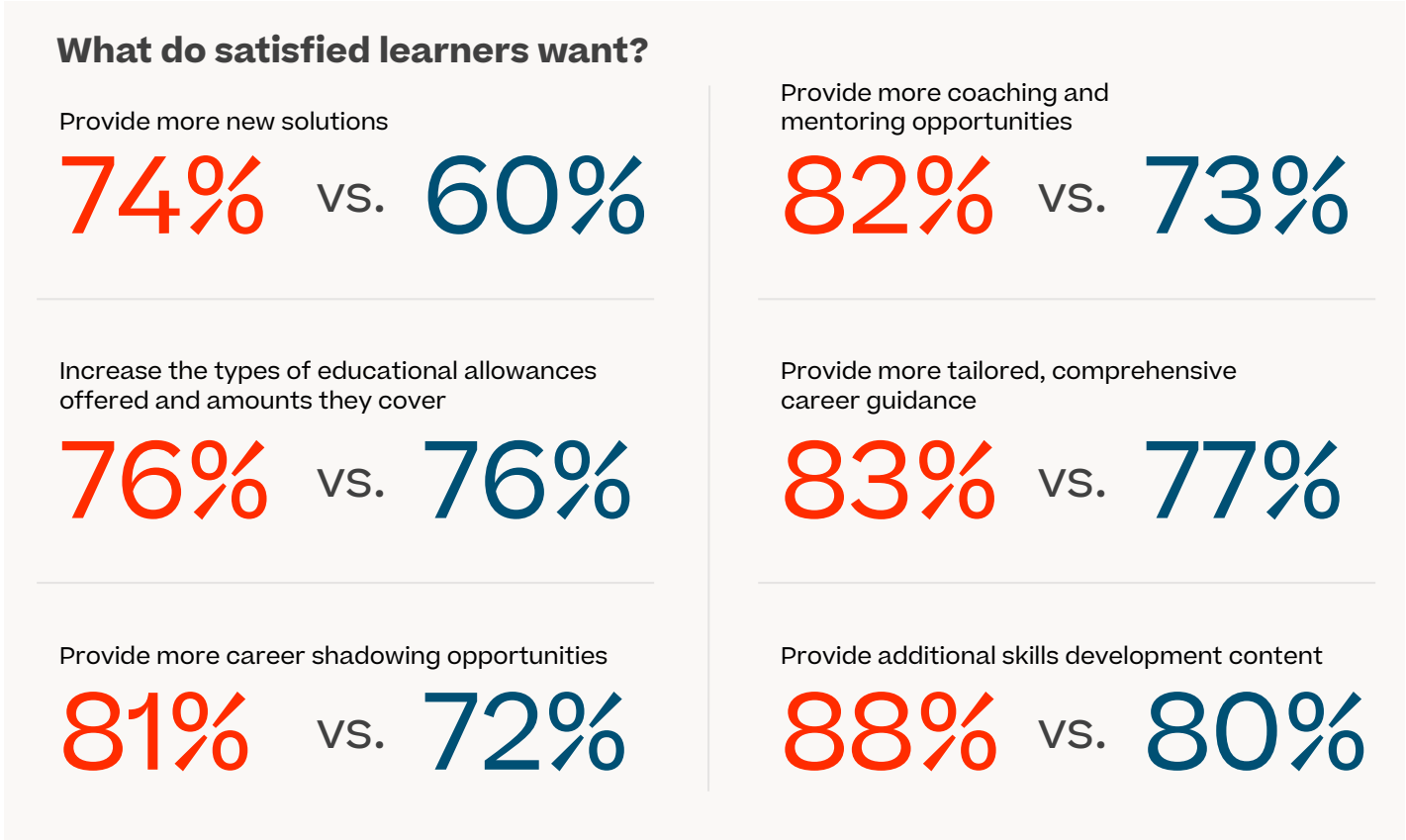| Category	Percentage
Provide more new solutions	63%
Increase the types of educational allowances offered and amounts they cover	70%
Provide more career shadowing opportunities	72%
Provide more coaching and mentoring opportunities	73%
Provide more tailored, comprehensive career guidance	74%
Provide additional skills development content	79%

Employees want more content from their employers

Employees have an unquenchable thirst for more skills development resources. When asked how they could improve the skills development solutions provided by their organizations, employees want more learning content. Nearly 80% of employees said they want more skills development content from their employer — the highest-rated of all skills-related resources.

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High Performing Organizations and high satisfaction drive more demand for learning, not less

As you might expect, offering great learning programs doesn't lessen the demand for learning — it increases it.

When we compared the results of this question to our question to employees about their satisfaction with the skills development programs offered by their employers, we see that **those who were satisfied with their employer's offering wanted more** from their employers, not less.
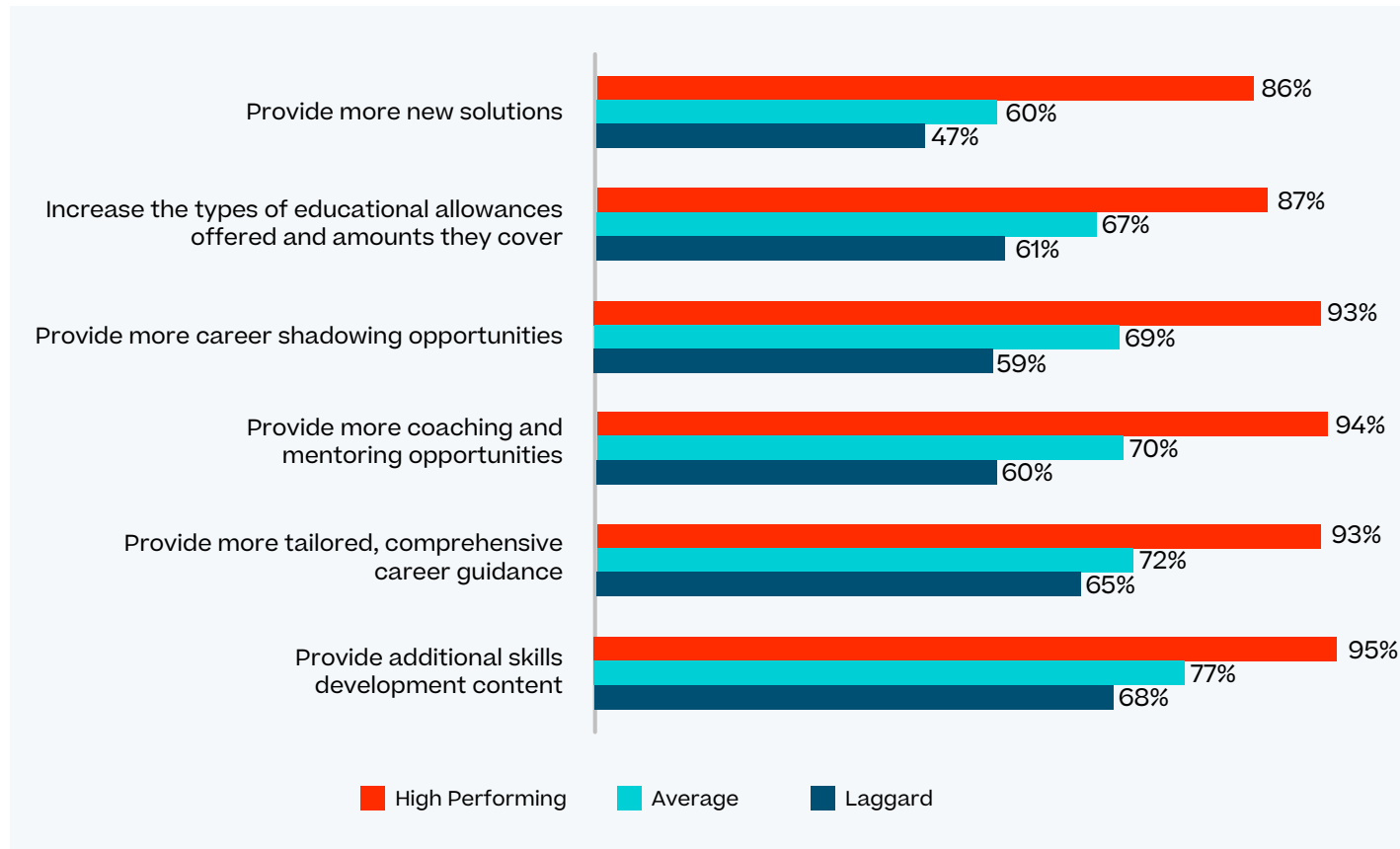
What do satisfied learners want?

Provide more new solutions

74% vs. **60%**

Provide more coaching and mentoring opportunities

82% vs. **73%**

Increase the types of educational allowances offered and amounts they cover

76% vs. **76%**

Provide more tailored, comprehensive career guidance

83% vs. **77%**

Provide more career shadowing opportunities

81% vs. **72%**

Provide additional skills development content

88% vs. **80%**

🟧 **Very Satisfied/Satisfied**　　🟦 **Dissatisfied/Very Dissatisfied**

When we compare High Performing Organizations to Average and Laggard Organizations, we see a dramatic increase in demand for the learning programs High Performing Organizations provide. Employees in those organizations demand learning and learning content at their fingertips across nearly every category. Meanwhile, employees in Laggard or Average Organizations don't expect as much from their employers.

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Provide more new solutions — 86% / 60% / 47%

Increase the types of educational allowances offered and amounts they cover — 87% / 67% / 61%

Provide more career shadowing opportunities — 93% / 69% / 59%

Provide more coaching and mentoring opportunities — 94% / 70% / 60%

Provide more tailored, comprehensive career guidance — 93% / 72% / 65%

Provide additional skills development content — 95% / 77% / 68%

■ High Performing   ■ Average   ■ Laggard

This diminished set of employee expectations could be because employees in Average and Laggard companies don't expect their organization to offer these programs or because their currently limited resources might inhibit their view of what's possible. In any case, High Performing Organization employees not only care deeply about learning, they also want to take advantage of all the possible growth opportunities offered in skills development.

North American employees value coaching; Asia-Pacific value educational allowances

Breaking it down regionally, we do see a few differences in what employees in different regions prefer. **In North America, employees valued coaching and mentoring 11 points more** than respondents from EMEA. **Asia-Pacific employees,** on the other hand, **preferred increases in the types of educational allowances** over their North America and EMEA colleagues.

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So What Does Good Skills Development Look Like?

High Performing Organizations drive better skill development outcomes

In our survey, **91% of employees in High Performing Organizations** said they **were either satisfied or very satisfied** with the skills development solutions offered by their organization versus 52% in Laggard Organizations. So what do High Performing Organizations do to drive such high satisfaction that other companies don't?

High Performing Organizations are highly invested in skills development that works for all major stakeholders. When we compared High Performing Organizations to Laggard Organizations, there's a significant difference in how they view the role of talent and development.

What should talent development solutions do?

Improve employee growth

97% vs. 69%

Help meet business goals

97% vs. 69%

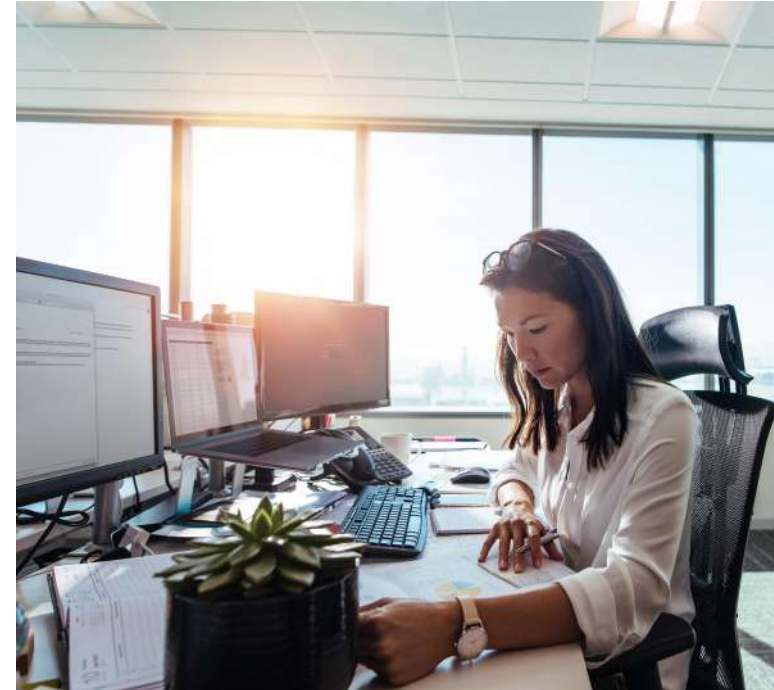Provide employees with a guided, personalized career trajectory

95% vs. 60%

Give employees the ability to acquire skills that interest them
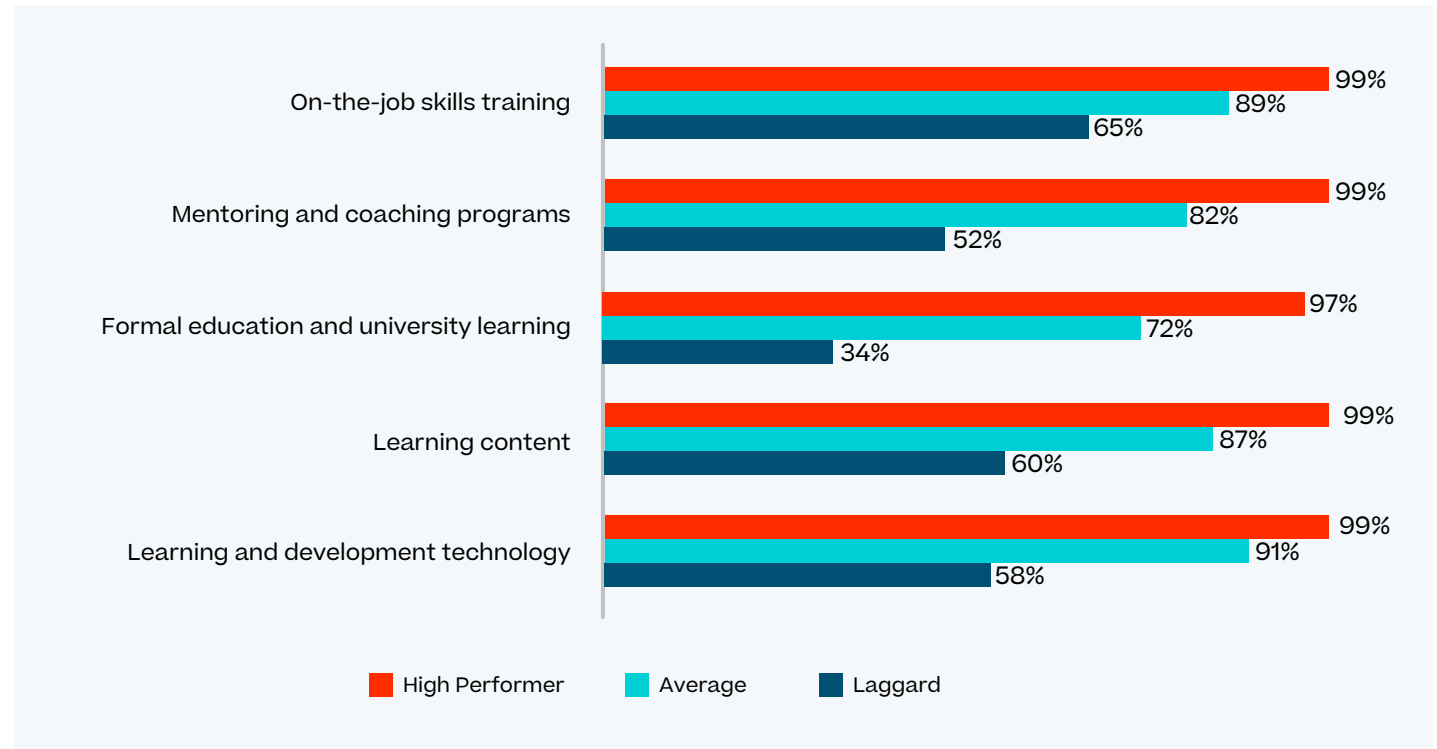
96% vs. 61%

■ High Performing　　　■ Laggard

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High Performing Organizations aren't just investing in one or two areas of learning and skill development. Nearly all (>97%) of them are prioritizing learning and development technology, learning content, formal education or university learning, mentoring and coaching programs, and on-the-job skills training.

Meanwhile, just 34% of Laggard Organizations are prioritizing formal education and 52% are investing in mentoring and coaching programs. There's a greater than 30-point gap between High Performing Organizations and Laggards in all program offerings.

Category	High Performer	Average	Laggard
On-the-job skills training	99%	89%	65%
Mentoring and coaching programs	99%	82%	52%
Formal education and university learning	97%	72%	34%
Learning content	99%	87%	60%
Learning and development technology	99%	91%	58%

Legend: **High Performer**, **Average**, **Laggard**

High Performing Organizations show us that there is no silver bullet to creating a great skill development program. Instead, they prioritize a broad holistic investment across multiple areas of the skill development journey.

High Performing Organizations view skill development as valuable for improving employee growth, meeting business goals, and providing a personalized career journey for employees.

When it comes to optimizing the way organizations invest in skill development, our research suggests that those who deliver the best value take a broad approach.

And, in an era where employees expect more and more personalization, **the ability to offer a wide variety of solutions is incredibly important.**

How Do You Become a High Performing Organization?

Our perspective: Practical advice to modernize skill development

Cornerstone works with thousands of customers across the globe and we see five commonalities when it comes to those that are successfully advancing skills development for their people.

Here are five practical places to start as you consider modernizing your skill development approach.

1. Focus on the future skills that will make an impact

Work with functional leaders and other talent teams to find ways of predicting what skills are most important or growing in importance for the future, identifying gaps, and closing them. Our research found that 82% of employees at High Performing Organizations felt their company had insight into the gaps between current skills and those needed in the future.

There are technologies that leverage artificial intelligence to create skills graphs and profiles to help organizations understand the situation better. They can help identify the most important skills, the skill gaps between existing and future skills, and build career paths based on the skills.

2. Integrate skill building with other career development tools

We found that 74% of employees want to be provided more tailored, comprehensive career guidance. Skills development and career development support and enable one another. As organizations get better alignment on skills and career paths, they work together across a broad set of initiatives to help grow employees along their career journeys.

Integrating that skill and career guidance with the help of technology can make it easy for employees to chart their desired career path by seeing an integrated view of the skills needed and how it translates to internal mobility. Employees that can see a future in your organization are more likely to stay there.

3. Take ownership: Create a culture of skill-building and growth

According the research, 95% of employees at High Performing Organizations say their company shows a sense of responsibility to its employees and helps them develop their careers. When organizations invest and show responsibility for the future of their employees, their people take notice. This is evidenced by the alignment and cohesion we found in organizational/employee agreement on priorities.

Getting leaders on board, integrating skills into talent discussions and creating a dedicated skill-building resource are critical ways organizations can show employees that they are creating a path for growth. It also shows that the whole organization is aligned and invested in skill-building.

4. Offer meaningful, personalized content to your skill seekers

First and foremost, you should think of your organization as a Skill Builder. Why? For 40% of employees looking for information about skill development and growth inside of organizations, their skills and development platform is their first stop. In High Performing Organizations, that percentage is even larger. And, employees — or Skill Seekers — are making it clear that they want even more learning content from their employers. Nearly 80% said they want more.

This is a major opportunity for organizations to rethink and revamp their learning content strategies. They should be focused on expanding access to high-quality, fresh content in a variety of modalities, languages and topics. Being able to broaden your organization's content library, align that content directly to your skills efforts and personalize the content as it is surfaced to individual employees will reduce time-to-skill development and ensure Skill Seekers are growing with your organization as business needs evolve.

5. Adopt an internal-first hiring mindset

For High Performing Organizations, developing internal talent was the number one way they plan to fill skills gaps while Laggards are planning to hire externally over the next three years. For Laggard Organizations, this lack of confidence in their ability to create new skilling resources that help them navigate their future is apparent to employees.

Beyond the well-documented savings in costs and time, an internal-first hiring commitment is one way to show confidence in your skill development abilities as an organization. It encourages employees to take the leap into developing new skills, knowing that the organization values and rewards employees with positions inside the company instead of relying on outside talent to fill roles.

Every organization's journey is different but, based on this research, we see five practical ways to address the challenges organizations and employees face as they work to reduce the skills gap.

High Performing Organizations Give Us a Template for Skills Development

Conclusion — High Performing Organizations Give Us a Template for Skills Development

Skills development is critical to the future of both organizations and people. Employers and employees alike recognize the importance of skills development as that path forward.

Similar to our report in 2020, significant gaps still exist in the perception of how well organizations are doing in developing skills for employees. Instead of shrinking, the Skills Confidence Gap has expanded as employee confidence of employers drops.

But not every organization is affected the same way.

High Performing Organizations have a Skills Confidence Gap much smaller than other organizations. Employees rate their satisfaction with the skills development programs at

High Performing Organizations much higher as well. Clearly, these companies have figured out how to align employee expectations and deliver skills to their employees in meaningful ways with cohesion.

High Performing Organizations give us a guide to follow in our skills development journey beyond the fog of the past several years. High Performing Organizations are more willing to invest money across a wide variety of skill development initiatives like learning and development technology, learning content, coaching, and formal education. They see the value of skill-building for both their talent initiatives and their overall business success. They create an environment where employees want to continue to thrive.

In High Performing Organizations, employees also rely heavily on their skills and development platform, internal company mentors, and immediate manager. Mentors and managers, in particular, can offer personalized advice about career paths, while High Performing Organizations' investment in technology platforms makes those useful tools for career and growth opportunities.

High Performers demonstrated in this research that by shifting to a shared approach across the organization in skills investment, creates a culture of cohesion that yields tangible results for the organization and real growth for the employee.

Contact us to learn more about how to navigate your organization's skills development journey.

Learn More

Cornerstone powers the future-ready workforce with adaptive HR solutions designed to unite technology, data and content and inspire a work environment of growth, agility and success for all. With an AI-powered, skills-forward, experiential system designed for the contemporary workforce, we help organizations modernize their learning and development experience, deliver the most relevant content from anywhere, accelerate talent and career mobility and establish skills as the universal language of growth and success.

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