

A Human Framework for Reskilling

**How 5 Seismic Forces Are
Driving the Reinvention
of Learning & Talent**



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Introduction

For as long as we've all been at work, CEOs and boards have referred to people as their “most important asset.” But rarely have they acted in concert with this claim.

Now, and for the foreseeable future, this must change.

Why? Because organizations today are caught at the nexus of 5 seismic forces:

- 1. Increasing complexities in business operations and work**
- 2. The constant—and constantly accelerating—pace of change**
- 3. Unprecedented demographic shifts that are shrinking talent pools and bleeding tacit knowledge out of the organization**
- 4. An increasing need for sustainable productivity to create a competitive advantage**
- 5. Changing employee expectations around work and the workplace.**

Trace these seismic forces to their epicenter and what you find is an **urgent need for large organizations to reskill the workforce**—and to do so with a tangibly human approach. One that meets people where they are and then inspires and empowers them to achieve their own goals alongside those of the organization.

This need is particularly acute for high-consequence industries burdened by risk and regulation, for whom any solution must deliver within a framework of rigorous compliance.

The challenge spans manufacturing (such as automotive and pharmaceutical), commercial services including finance and transport, and those public sector services where there has been rapid technological change.

What Leaders Know (and Don't Know) About Reskilling

“CEOs can no longer hire their way to growth and productivity”

To effect this unprecedented reskilling, leaders must identify the skills—not the jobs, but the skills—it will take to surmount these forces and to plan and lead organizational objectives. Then they must devise an agile approach for training the people who need those skills today and in the future. An approach centered on those people, with their goals and expectations in mind.

Not all of this is news to CEOs and other leaders. They're living the pressures. They know they can no longer simply hire their way to growth and productivity.

Business leaders know hiring must take a far more forensic approach and that reskilling is the new keystone of organizational strategy:

- According to [Deloitte's Global Human Capital Trends 2019](#), the year's top-rated trend is the need to improve L&D.
- In [Gartner's 2019 Future of HR Survey](#), HR leaders named the need to build “critical skills and competencies” at the top of their key initiatives.
- According to a [2018 McKinsey Global Institute report](#), 82% of executives at companies with annual revenues exceeding \$100 million see reskilling as critical to business success in the next five years.

Clearly, business leadership—not just HR and L&D—is aware of the need for reskilling.

The problem is, they don't know how.

That's largely because success demands nothing short of a reinvention of off-ignored departments in business: Learning (or L&D) and Talent (or HR).

And that reinvention starts by joining them together.

Hallmarks of the Reinvention of Learning and Talent

“Technical skills will need to be supplemented with strong social and collaboration skills.”

Learning and talent can no longer be managed in isolation from one another, but rather must be united in an organizational strategy that puts an authentic learning culture at the very center.

Done right, learning and talent will be:

- Tightly integrated across the talent lifecycle
- Aligned through clear, meaningful, and measurable organizational objectives
- Recognized as inextricable components of a stellar employee experience
- Expanded in scope beyond direct employees to include contingent workers, distribution and supply chains, customers, and beyond.

At the same time, workplace learning itself needs an overhaul.

Of course L&D must build emerging digital skills. But it must also find better ways to impart the complex soft skills—like persuasion, emotional intelligence, and teaching others—required for the future of work. As noted in the World Economic Forum’s Future of Jobs report, “technical skills will need to be supplemented with strong social and collaboration skills.”

Indeed, this trend has already been documented in an analysis of US occupational data that revealed a 24% increase in the need for social skills between 1980 and 2012¹.

To effectively and efficiently build both digital and social skill sets, L&D must transcend fledgling attempts at gamification and engagement with immersive experiences that meet rising learner expectations. And to fully extract the immense potential of reskilling, the qualities of this people-focused (or social) and invigorated learning experience must be threaded throughout the employee experience.

1. Demming, D. (June 2017). The Growing Importance of Social Skills in the Labor Market. National Bureau of Economic Research. [Available online.](#)

Reskilling at Enterprise Scale

Ultimately, what this reinvention of talent and learning demands is new thinking, deep expertise, and intelligent digital tools built with this integrated future in mind.

To get there, enterprise organizations will need a new breed of partner—one that combines customer-focused, agile innovation with technology and services that work together. One that can engineer learning, talent, and business data to help them put the best people in the right roles, becoming the best they can be.

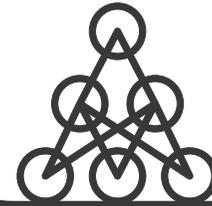
In this white paper, Piers Lea, Chief Strategy Officer of Learning Technologies Group, pinpoints the seismic forces that are compelling large organizations to reinvent learning and talent with an empathetic eye on their people. And he lists strategic actions required to align executive, HR, and L&D leaders on the shared goal of reskilling the workforce to close the gap between current and future capability—before it's too late.

“Put the best people in the right roles, becoming the best they can be”

“82% of executives see reskilling as critical to business success”

5

Seismic Forces Driving the Need to Reskill the Workforce, and How Leaders Must Respond

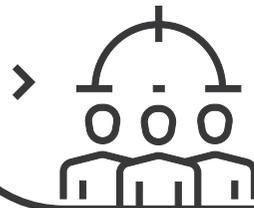


1 THE COMPLEXITY OF BUSINESS AND WORK

2 THE PACE OF CHANGE



3 UNPRECEDENTED DEMOGRAPHIC SHIFTS



4 THE NEED TO COMPETE THROUGH PRODUCTIVITY



5 CHANGING RELATIONSHIP TO WORK



The Complexity of Business and Work

Forced to choose a single word to characterize the state of business globally, perhaps the most apt is complex.

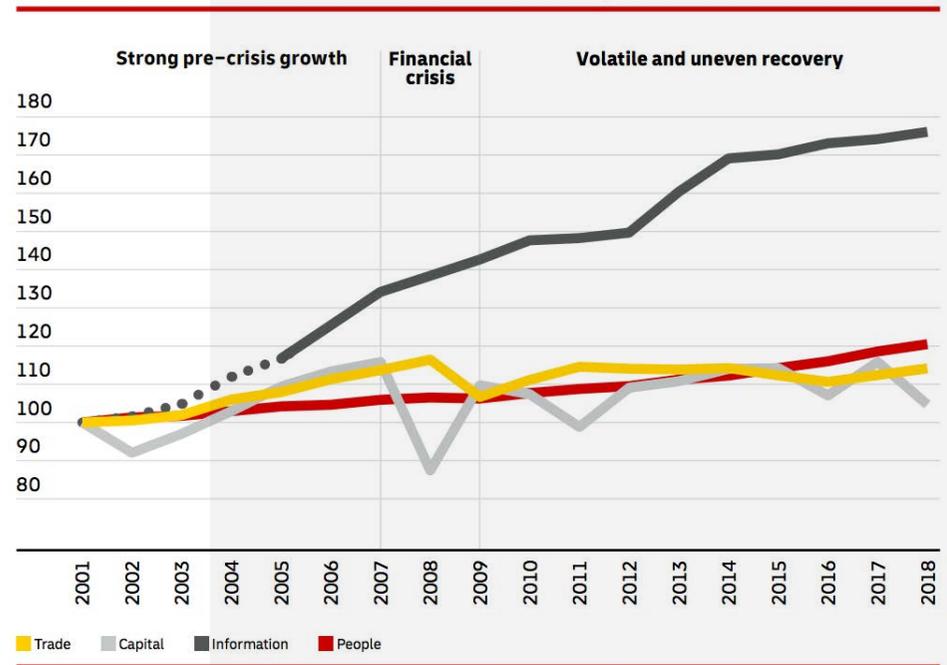
There are other strong contenders, certainly, but the complexity of modern business and work is a powerful and ubiquitous force with which leaders and employees must reckon on a daily basis.

According to TMF Group’s Global Business Complexity Index², day-to-day operations require businesses to navigate high levels of complexity to avoid regulatory penalties, comply with accounting and tax policies, and source and manage talent. The extent of this complexity varies by country, but the average worldwide grows steadily and in some areas exponentially.

Complexity arises in part from connectedness. Indeed, its root is defined as having “interrelated parts”.

The more individuals, governments, and organizations are connected, the more complex our systems. And as we see in the DHL Global Connectedness Index³, the global exchange of information continues its sharp growth—running alongside gradual increases in the global exchange of trade and cross-migration of people.

FIGURE 6: FOUR PILLARS OF GLOBAL CONNECTEDNESS, 2001 – 2018



The trade and capital pillars of the index have been volatile, rising in the pre-crisis era before crashing during the crisis years, and fluctuating below their prior peaks in the post-crisis period. By contrast, the information and people pillars have risen in every year since 2001. Note: Information pillar does not include internet traffic prior to 2005.

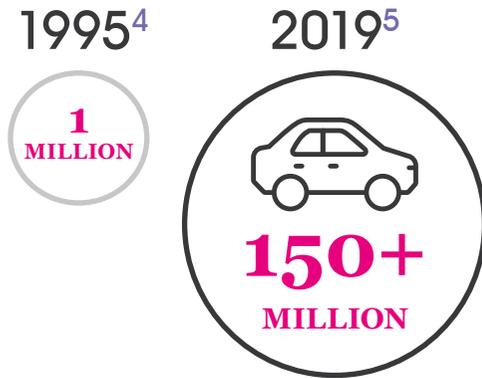
Graph from DHL. “DHL Global Connectedness Index: Mapping the Current State of Global Flows (2019 Update)”. By Altman, S. & Bastian, P.

2. TMF Group. (4 Jun 2019). The Global Business Complexity Index 2019. [Available online.](#)

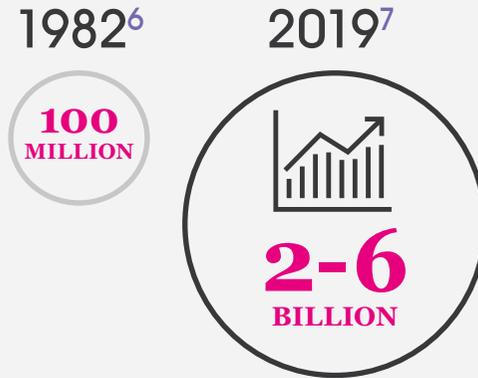
3. DHL. (4 Dec 2019). DHL Global Connectedness Index. [Available online.](#)

But we don't really need a global index to tell us the world is complex. It's all around us—in our cars and homes, mobile phones, financial instruments, laws and regulations, and health care.

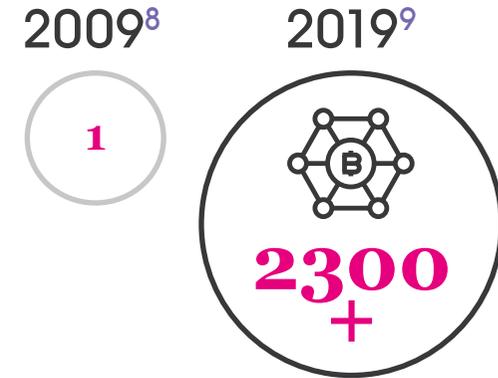
Lines of code in the average car



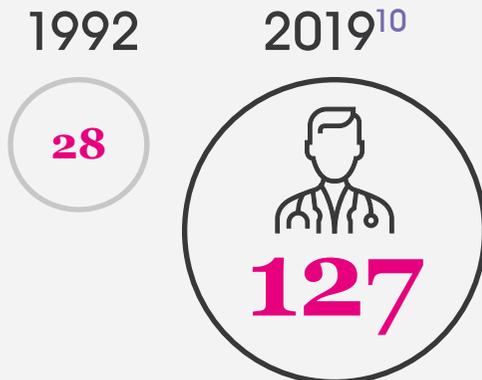
New York Stock Exchange daily trading volume



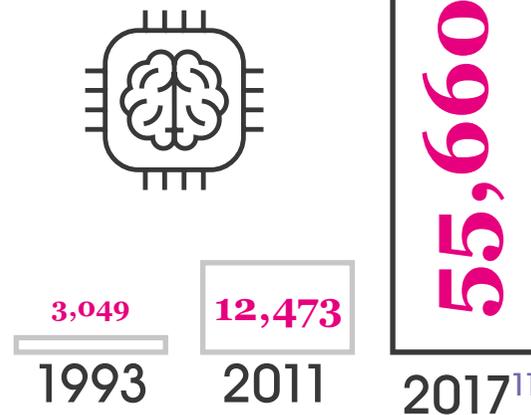
of cryptocurrencies



Certified medical specialties/ subspecialties in the US



AI patent applications



Length of the US Code of Federal Regulations



4. McMillan, R. (2004). GM CTO predicts cars will run on 100 million lines of code. Computer Weekly. [Available online.](#)
 5. Motavalli, J. (7 Mar 2019). Locking More Than the Doors as Cars Become Computers on Wheels. New York Times. [Available online.](#)
 6. Anon. (25 Jun 2019). Stocks Then And Now: The 1950s And 1970s. Investopedia. [Available online.](#)
 7. Duggan, W. (15 Dec 2017). On This Day In Market History: NYSE Trading Volume Tops 1 Million Shares. Benzinga. [Available online.](#)
 8. Fiorillo, S. (2 Jan 2020, updated). Bitcoin History: Timeline, Origins and Founder. TheStreet. [Available online.](#)
 9. Coin Market Cap. (Aug 2019). <https://coinmarketcap.com/>

10. American Board of Medical Specialties. (2018). 2017-2018 ABMS Board Certification Report. [Available online.](#) American Board of Medical Specialties. (2019). Guide to Medical Specialties. [Available online.](#)
 11. World Intellectual Property Organization. (2019). WIPO Technology Trends 2019: Artificial Intelligence. Geneva.
 12. George Washington University Regulatory Studies Center. (June 2019). Total Pages Published in the Code of Federal Regulations [graphic]. [Available online.](#)

Consider fields like physics. Just 20 years ago, the average degree-level student could attain a grasp of most areas of physics. Since then, our knowledge has grown exponentially and this is no longer possible.

Ditto for biology—think sequencing of the human genome, the human metabolome, and the gut biome.

Today, people and organizations operate in a world where space tourism is close to being a reality, refrigerators connect to the internet, and even small towns must guard their systems and data against cyber-attack.

And despite recent elections favoring politicians who promise to deregulate business and private life and remove red tape, the number of laws continues to increase steadily. In the US, for example, the Federal Register of rules more than tripled in size in the last 50 years¹³.

How Complexity Drives Specialization and Hinders Job Mobility

One result of this increased complexity—and another example of it—is that jobs and work demand both broad knowledge and deeply specialized skills. From manufacturing and construction to engineering, administrative, transportation, mining and medicine—across industries, generalist positions are dwindling.

The complexity of work is reflected in the very language used in any given industry, making it increasingly difficult to understand what someone is saying if they work in another sector. This marked increase in specialization is an enemy of job mobility, which has been dropping for more than a decade¹⁴.

Put simply, it takes too long to learn the language of a new industry, let alone the unique business processes, systems, markets, and technology.

“The Federal Register of rules has grown 300% in 50 years”



13. Number of pages of rules recorded in Federal Register of Rules in 1969 was 20,466 compared with 68,082 in 2018. Office of the Federal Register and the year-end Federal Register. [Available online.](#)

14. Pethokoukis, J. (25 Nov 2016). A job mobility mystery: Why are younger workers staying put? American Enterprise Institute. [Available online.](#)

The Impact of Complexity on Time for Learning

Another result is a tectonic compression of time.

We spend our workdays keeping up with intricate regulatory requirements, globally distributed teams, new workplace policies and initiatives, and a nonstop flood of new tech and systems—not to mention the daily demands of business as usual.

No surprise, then, that the average worker spends a mere 1% of their time devoted to formal or traditional learning¹⁵.

Strategies for Conquering Complexity Through Reskilling

Within an increasingly complex environment, reskilling must be targeted, efficient, and easily integrated into the daily work of learners. It must fit within—or even be built into—the systems employees use daily.

To accomplish this feat, learning and talent leaders must embrace complexity and put it to work.

Employees and organizations have no time to waste on irrelevant learning. So HR and L&D must harness talent and learning analytics to forensically match teams and individuals to the skills it will take to drive business objectives.

“The average worker spends 1% of their time on formal learning”

15. Bersin, J. (27 Mar 2017). The Disruption of Digital Learning: Ten Things We Have Learned. [Available online.](#)

Reskilling must be woven into the flow of work, and the learning opportunities must be modern and personalized—delivering the most value in the least amount of time.

FLOW OF WORK

1

Identify the skills (not jobs) needed.

According to the McKinsey Global Institute¹⁶, as 2030 approaches demand for technology skills will spike by as much as 60%. But organizations will also see a 26% rise in the need for social and emotional skills, and a 9% increase in the need for higher cognitive skills like quantitative analysis, project management, and creativity.

2

Match people to skills needed and aptitude.

Identify the people within your workforce who need those skills and have the aptitude to learn (and unlearn) at speed.

3

When hiring, focus on learning agility and aptitude, as well as cultural fit and diversity.

Learning agility is arguably the single most valuable and future-proof skill. In this way, talent leaders can build a workforce of strong and avid learners who will be able to evolve along with the organization's skills needs.

4

Transform learning for efficiency, effectiveness, and experience.

Use games, play, and competition as smart talent diagnostics to identify the people who can learn the skills. Train better and faster through consumer-grade play and immersion, and personalized learning.

5

Take learning into the flow of operational business.

With volume and complexity comes the problem of cognitive overload. Even the most highly motivated employees can only absorb so much new information. To counterbalance this pressure, transition from "just-in-case" to "just-in-time" learning—that is, deliver performance support to your employees and managers within the context of their daily work.

6

Bring business-impact learning explicitly into smart business management.

Most companies and teams have put data at the core of their strategy and execution. Depending on the industry and the team, this may include financial performance data, utilization rates, customer satisfaction ratings, or 'right first time' fixes. It's time for businesses to bring learning data and data on the business impacts of learning into their business management processes. It's also time to plan both learning and talent on a team basis.

7

Use data to personalize learning that has the biggest potential impact on the organization.

When learners fail to engage with training, it's often because they perceive the skill or knowledge as irrelevant to their current or future role in the organization. By harnessing talent and learning data and deploying the right technology, organizations can boost relevance through personalization. This, in turn, helps create better learning engagement and better results.

16. Bughin, J., Hazan, E., Lund, S. et al. (May 2018). Skill Shift: Automation and the Future of the Workforce. McKinsey Global Institute. [Available online.](#)

2

The Pace of Change

By 2022, nearly 80% of organizational skills will need to be reprioritized or revisited because of digital transformation¹⁷.
 – Gartner

In its quarterly Emerging Risk Monitor survey, CFO.com found that Chief Financial Officers identified the pace of change as the top emerging risk¹⁸.

While CEOs and other business leaders may be chiefly worried about the potential for market disruption by more nimble competitors or unpredictable shifts in client needs or consumer demands, they should also consider the impact of change on their people.

A recent study found that employees impacted by change are more than twice as likely to suffer from chronic stress. They also report work-life balance conflicts, negative feelings at work, lower job satisfaction, and significantly less trust in their employers. No surprise, then, that employees experiencing change are three times more likely to go looking for a new job¹⁹.

It's worth noting how the risk to business presented by the "pace of change" has emerged from not even being in the top 5 to being cited as the top emerging risk during 2019. An indication itself of the speed of change.

“80% of executives say reskilling is critical to business success”

Rank	3Q18	4Q18	1Q19	2Q19
1	Accelerating Privacy Regulation	Talent Shortage	Accelerating Privacy Regulation	Pace of Change
2	Cloud Computing	Accelerating Privacy Regulation	Pace of Change	Lagging Digitization
3	Talent Shortage	Pace of Change	Talent Shortage	Talent Shortage
4	Cyber Security Disclosure	Lagging Digitization	Lagging Digitization	Digitization Misconceptions
5	Artificial Intelligence (AI) / Robotics Skills Gap	Digitization Misconceptions	Digitization Misconceptions	Data Localization

Graph from CFO.com. "New Top Emerging Risk: Pace of Change" (24 Jul 2019). By McCann, D.

17. Kostoulas, J. (5 Feb 2018). Digital Business Redefines Talent Management Applications. Gartner. [Available online.](#)
 18. McCann, D. (24 Jul 2019). New Top Emerging Risk: Pace of Change. CFO.com. [Available online.](#)
 19. Brooks, C. (25 May 2017). "Change in the Workplace Stresses Your Employees Out Most." Business News Daily. [Available online.](#)

The Digital Transformation of Work

People at all levels of the organization, regardless of industry or career field, are constantly contending with new technologies like customer relationship management systems, omnichannel marketing technologies, 3D printing, remote sensing, and IoT technology.

The scale of digital change is and will continue to be so disruptive—with massive implications for business, government, and society—that it warrants the label, “The Fourth Industrial Revolution.”

What’s more, all this digital transformation is generating massive amounts of data. Virtually everything we and our customers, partners, and suppliers do creates a data trail that is now our job to track, parse, and report on.

For many workers, these new technologies are fragmented, change communication is inadequate, there’s too much data to make sense of, and new digital distractions seem to be everywhere. When technology feels invasive, complicated, and confusing, and when it creates concern about job security, the resulting “technostress” comes at a high cost to people and organizations²⁰.

The Disconnect Between People and Technology

The plain truth is that we, the workers and managers and even the leaders too, are feeling a bit lost.

According to [Gartner’s 2018 Shifting Skills Survey](#), 70% of employees say they haven’t mastered the skills they need for their jobs today, and 64% of managers don’t think their employees can keep pace with future skill needs.

Not surprisingly, this disconnect manifests in employees feeling that companies prioritize the technologies over their needs as people, as shown in a PwC survey²¹ revealing that only 53% of employees say their company chooses technology with their needs in mind.

“As workers, managers and leaders too, we are feeling a bit lost”

“70% of employees say they’ve not mastered the skills needed for their job”

“Only 53% of employees say their company chooses technology with their needs in mind”

20. Rose, D. (14 Jul 2019). That new productivity tool is stressing out your team. Fast Company. [Available online](#).
21. PwC. (Oct 2018). Our status with tech at work: It’s complicated. [Available online](#).

Digital Transformation Creates an Urgent Need for Learning

What does this all mean for learning and for learners?

In its [Workforce Trends and Strategies for the Fourth Industrial Revolution](#), the World Economic Forum estimated that, to equip the global workforce to manage the digital transformation of business, workers will need an extra 101 days of learning over the next four years—or 25 more training days each year.

This massive need for learning isn't confined to training on new systems and technologies. It's to keep up with the new and continually renewing world of work.

Strategies for Managing Digital Transformation Through Reskilling

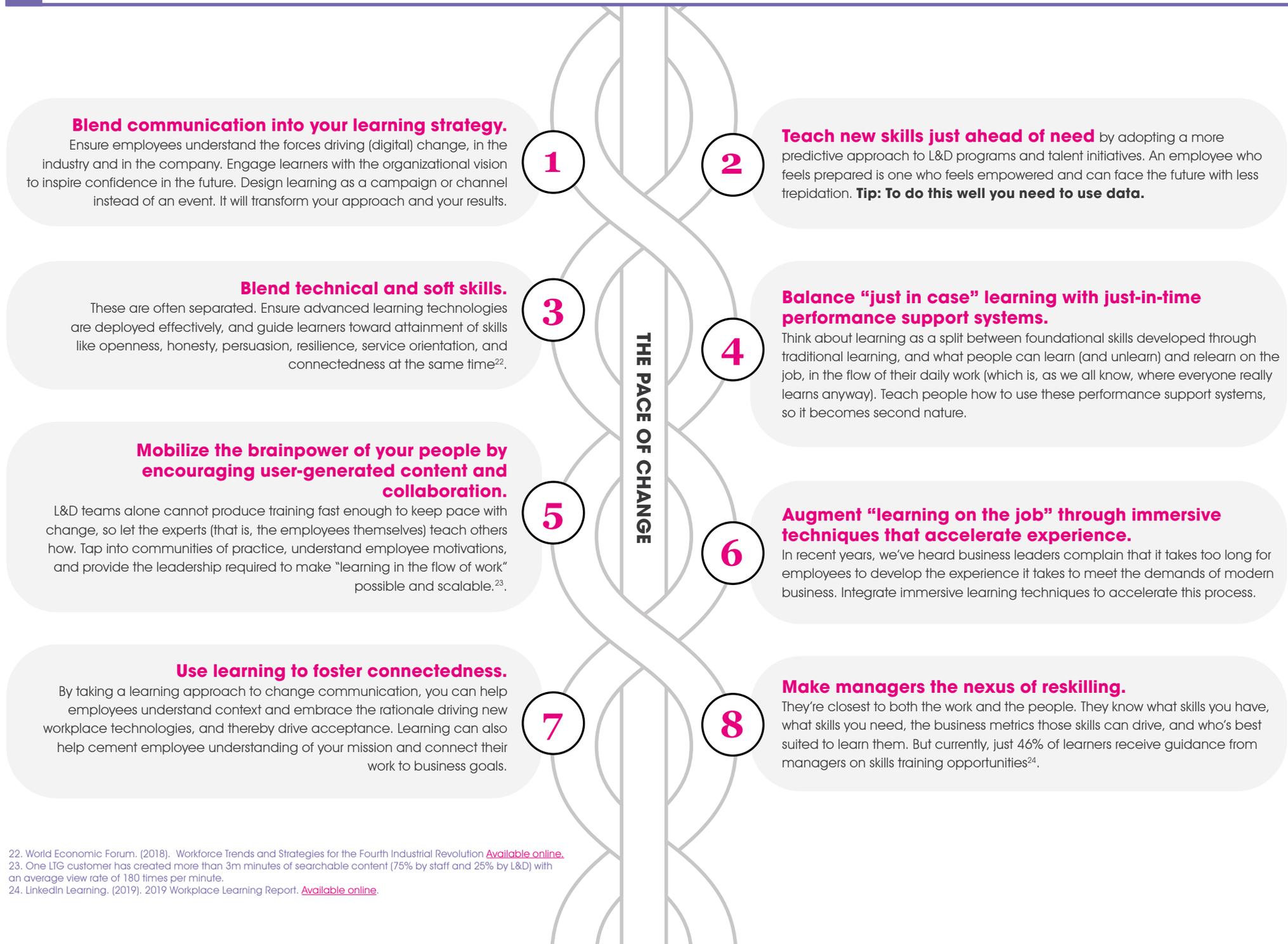
It's easy to assume that these 101 days of learning should build technical skills—predictive analytics, machine learning, AI, and the like. This, of course, is true. But to overfocus on technical skills will risk losing the very people needed to make all that technology work for you.

Employees and other learners are people first. They want their humanity and human needs to be acknowledged and met, so the core principle of effective reskilling must be to “follow the people.”

What many leaders are only beginning to realize is that digitization creates an accompanying and largely unrecognized demand for new kinds of soft skills.

Perhaps more to the point, the downsides of digital transformation—the distracting, overwhelming, disconnect felt by so many employees—demand an emotionally intelligent approach to reskilling. Reskilling initiatives must embody the very critical social (which is to say human) skills that we aim to instill in employees and leaders so that our organizations might succeed at digital transformation.

“Workers will need an extra 101 days of learning over the next four years—or 25 more training days each year.”



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THE PACE OF CHANGE

Blend communication into your learning strategy.

Ensure employees understand the forces driving (digital) change, in the industry and in the company. Engage learners with the organizational vision to inspire confidence in the future. Design learning as a campaign or channel instead of an event. It will transform your approach and your results.

Teach new skills just ahead of need

by adopting a more predictive approach to L&D programs and talent initiatives. An employee who feels prepared is one who feels empowered and can face the future with less trepidation. **Tip: To do this well you need to use data.**

Blend technical and soft skills.

These are often separated. Ensure advanced learning technologies are deployed effectively, and guide learners toward attainment of skills like openness, honesty, persuasion, resilience, service orientation, and connectedness at the same time²².

Balance “just in case” learning with just-in-time performance support systems.

Think about learning as a split between foundational skills developed through traditional learning, and what people can learn (and unlearn) and relearn on the job, in the flow of their daily work (which is, as we all know, where everyone really learns anyway). Teach people how to use these performance support systems, so it becomes second nature.

Mobilize the brainpower of your people by encouraging user-generated content and collaboration.

L&D teams alone cannot produce training fast enough to keep pace with change, so let the experts (that is, the employees themselves) teach others how. Tap into communities of practice, understand employee motivations, and provide the leadership required to make “learning in the flow of work” possible and scalable.²³

Augment “learning on the job” through immersive techniques that accelerate experience.

In recent years, we’ve heard business leaders complain that it takes too long for employees to develop the experience it takes to meet the demands of modern business. Integrate immersive learning techniques to accelerate this process.

Use learning to foster connectedness.

By taking a learning approach to change communication, you can help employees understand context and embrace the rationale driving new workplace technologies, and thereby drive acceptance. Learning can also help cement employee understanding of your mission and connect their work to business goals.

Make managers the nexus of reskilling.

They’re closest to both the work and the people. They know what skills you have, what skills you need, the business metrics those skills can drive, and who’s best suited to learn them. But currently, just 46% of learners receive guidance from managers on skills training opportunities²⁴.

22. World Economic Forum. (2018). Workforce Trends and Strategies for the Fourth Industrial Revolution [Available online](#).
23. One LTG customer has created more than 3m minutes of searchable content (75% by staff and 25% by L&D) with an average view rate of 180 times per minute.
24. LinkedIn Learning. (2019). 2019 Workplace Learning Report. [Available online](#).

3

Unprecedented Demographic Shifts

Making matters worse, organizations now face tectonic demographic pressures constraining their ability to build a productive workforce.

The US and many other industrialized countries have seen birth rates drop to their lowest rates in decades. And at the same time, the tidal pull of retirement is beckoning the generation that dominates senior leadership positions across industries.

In the next few years, the number of people reaching retirement age each day in the US will increase from 10,000 to 12,000 a day. By 2030, the entire baby boomer generation will be 65 or older²⁵.

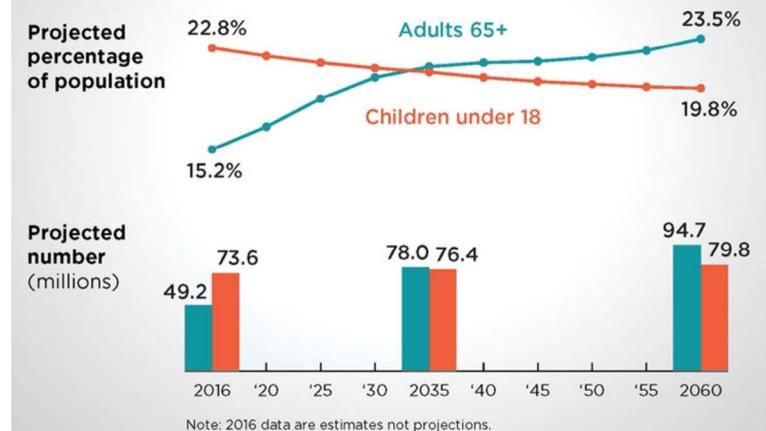
Certainly, many experienced employees will remain in the workforce beyond that milestone—and organizations should find ways to encourage them to do so. But the fact remains that these demographic shifts are shrinking the pool of talent available for hire.

Around the world, the labor supply is contracting—a pattern that is only expected to accelerate as 2030 approaches, leaving a staggering labor deficit of 85 million workers²⁶.

As a result, competition to hire and retain the best employees (which is to say the best learners) is intense, to say the least.

“Demographic trends are shrinking talent pools available for hire”

For the First Time in U.S. History Older Adults Are Projected to Outnumber Children by 2035



The picture in Europe is similar. The European population pyramid in 2010 compared to what is forecasted by 2060²⁷ shows how the population will age dramatically over the next two decades.

Graph from United States Census Bureau. “Older People Projected to Outnumber Children for First Time in U.S. History” (13 Mar 2018, revised 6 Sep 2018 and 8 Oct 2019).

25. U.S. Census Bureau. (13 Mar 2018, revised 8 Oct 2019). Older People Projected to Outnumber Children for First Time in U.S. History. [Available online.](#)

26. Korn Ferry Institute. (9 May 2018). The \$8.5 Trillion Talent Shortage. [Available online.](#)

27. PrevenBlog (1 Dec 2013). Demographic change, an emerging risk factor in Europe. [Available online.](#)

Strategies for Surmounting Demographic Shifts Through Reskilling

When there are fewer people to hire, the only answer to sustainable success is to make your organization, and even your industry, an employer of choice. It should be one they seek out and, once hired, where they choose to remain.

Here, the enriching experience of learning is the perfect instrument: an organization committed to employee learning is one committed to its employees.

To learn, we must feel safe, so a learning relationship is an exchange not just of information, but of trust. What's more, learning is a mutual investment in the future—an acknowledgment of the value of the learner and the skill(s) learned.

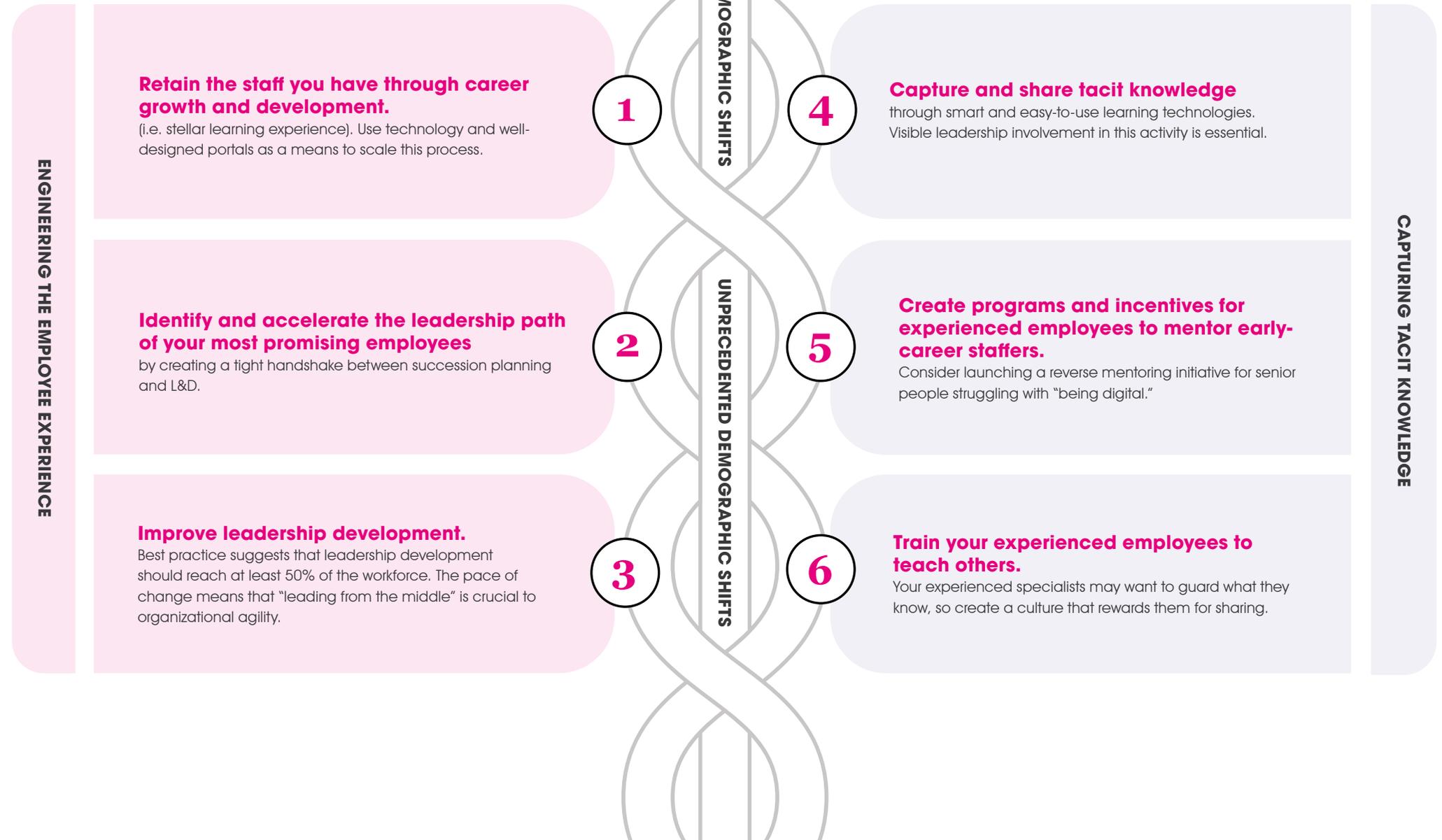
A learning organization is also one in which the tacit knowledge of senior employees is routinely captured and shared through mentoring and smart technologies, such that waves of retirements do not cause catastrophic loss of experience.

Lastly, the value of reskilling can be extended beyond the current employees and job seekers of today. Through reskilling initiatives, organizations can grow the pool of talent from which to recruit by:

- Creating learning opportunities for contingent workers, with a view toward mapping their new skills to future assignments or direct hire roles
- Attracting young people not yet on the job market to their industry, promoting the degrees, certifications, and skills needed
- Reaching people in declining markets or geographies who are looking for new opportunities and cross-training them in relevant skill sets.

“A learning relationship is an exchange of trust”

The keys to using reskilling to cope with demographic shifts are threefold: engineering the employee experience, capturing tacit knowledge, and growing the pool of talent.



GROWING THE POOL OF TALENT

Recruit smarter and faster

by putting learning at the heart of your talent acquisition strategy. The recruiting process should foster a learning relationship between the organization and the candidate. This attracts the talent you most want (those with an agile learner's mindset) and increases the likelihood of a good fit.

7

UNPRECEDENTED DEMOGRAPHIC SHIFTS

9

Manage contingent labor more effectively, and engage them in learning.

With up to 40% of the workforce predicted to be in the gig economy by 2025²⁸, the risk and growth profiles of any business will not be able to ignore this group.

8

Improve diversity outreach and recruiting

to reach historically untapped pools of talent. Companies who lag in this area are missing out on people with rich skills and connections to new and expanding markets.

10

Build a learning relationship with job seekers before they apply.

This could include internships and mentorships, scholarships for students in much-needed degree or certification programs, and other learning-driven programs that attract people to your industry.

GROWING THE POOL OF TALENT

UNPRECEDENTED DEMOGRAPHIC SHIFTS

28. Gartner. Gig Economy FAQs for Talent Analytics Leader. [Available online.](#)

4 The Need to Compete Through Productivity

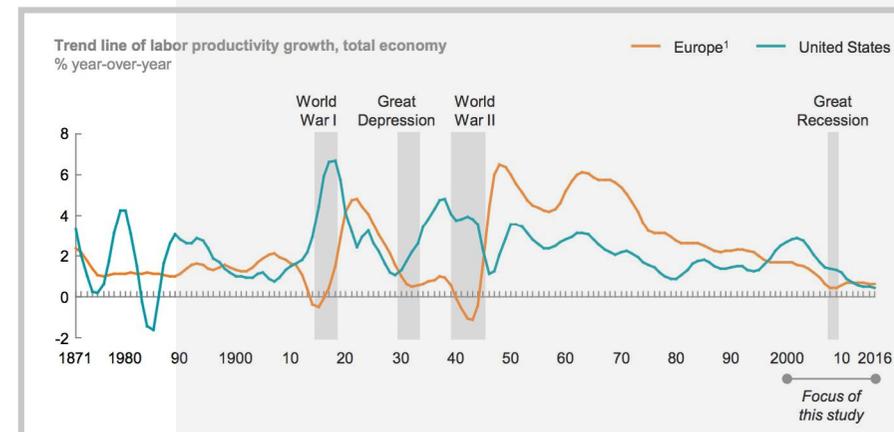
A fourth shift creating pressure on leaders and their organizations is an increasing urgency to improve the efficiency and output from all sectors of the economy. As you can see from this graph, productivity in the United States and Europe peaked in the 1950s and 60s but has been in decline ever since²⁹.

Two factors have dragged productivity down in recent times. The first is the waning of a boom that began in the early 1960s driven by the information and communications technology revolution and the second is the financial crisis in 2008/9 causing weak demand and uncertainty.

For some time, experts have been extolling the promise of digital technologies to make companies more productive. They are, but the impact of digital transformation is hardly a *fait accompli*. The speed at which countries are realizing the potential is relatively slow and varies enormously. The US, as an example, has only achieved 18% of its digital potential³⁰.

In Europe, the United Kingdom is next with 17%, compared with France at 12%, and Germany and Italy at 10% (see graph on next page for more).

“The US has only achieved 18% of its digital potential”



¹ Simple average of France, Germany, Italy, Spain, Sweden and the UK

Graph from McKinsey Global Institute. "Solving the Productivity Puzzle: the Role of Demand and the Promise of Digitization" (Feb 2018).

29. McKinsey Global Institute. Solving the productivity puzzle: The role of demand and the promise of digitization. [Available online](#)

30. Bughin, J., Hazan, E., Labaye, E., et al. (Jun 2016). Digital Europe: Realizing the continent's potential. McKinsey Global Institute. [Available online](#)

Business analysts of all stripes are calling for a “productivity recovery³¹” projecting that, in the UK for example, labor shortages and an aging population will mean that about 90% of future growth will have to come from productivity improvements³².

Any recovery will face severe headwinds. Trade wars and the slowing down in demand from emerging economies are just two.

Social pressures on business often stand in the way of increasing productivity. Ever tighter health and safety regulations are one example. Another is the steps to address global warming. It will soon become unacceptable to jump on planes to do business (or receive training) face-to-face.

The answer, we believe, resides in the workforce, because technology needs people to make it work. While technology may be the grease, people are the engine of productivity. To be more specific, teams are the engine. In a complex world, it's rare that an individual can operate alone. With businesses increasingly global, there needs to be far more investment in team development, focused on both growing their collective expertise but also the ability to communicate and collaborate virtually at greater speed.

The main factors which influence productivity are multi-dimensional. The human factors include well-being (both the physical and mental health of the individual), physical aptitude to carry out a task, mental drive and enthusiasm, job satisfaction and, of course, the qualifications and know-how to carry out a task. Overlaid on this are the system factors: the indoor environment, incentives, organizational structure and management, personal circumstances, and the facilities available to the employee³³.

This is a perfect demonstration of why all the departments in the HR function, over and above talent and learning, must work in close harmony to improve productivity.

“90% of future growth will have to come from productivity improvements.”

Captured digitization potential



Europe and the United States have captured only a small percentage of the potential from digitization.



McKinsey&Company

Source: McKinsey Global Institute (MGI) analysis; see “Digital Europe: Realizing the continent’s potential,” MGI, June 2016, on McKinsey.com

#DigitalEurope

31. Conference Board. (15 Apr 2019). Global Productivity Growth Remains Weak, Extending Slowing Trend. [Available online](#)

32. Bughin, J., Dimson, J., Hunt, V., et al. (Sep 2018). Solving the United Kingdom’s productivity puzzle in a digital age. McKinsey Global Institute. [Available online](#).

33. Clements-Croome, D. & Kaluarachchi, Yamuna. (Jan 2000). Assessment and measurement of productivity. Creating the Productive Work Place (Chapter 10). [Available online](#).

Graph from McKinsey Global Institute. “Digital Europe: Realizing the continent’s potential” (Jun 2016). By Bughin, J., Hazan, E., Labaye, E., et al.

Strategies for Driving Productivity Through Reskilling

With people at its heart, reskilling has tremendous potential to drive productivity.

By connecting performance management and other talent processes with learning, we can achieve several important things that drive productivity:

- Conveying to people the meaning and purpose of work
- Defining and enlisting people in performance objectives for themselves and their teams
- Inspiring people to deploy greater discretionary effort by building a sense of connection with one another and with the organization
- Driving the use of interactive communication tools such as video conference and immersive virtual technologies that obviate the need to jump on a plane
- Using data to focus *relevant* learning on people so that employees trust that it will improve their performance and be worth their time
- Recognizing and rewarding individual and team accomplishments.

Those are the emotional components that motivate people and, in the abstract, the workforce, toward greater productivity.

The flip side of the reskilling coin, if you will, is to put technology and data to work. This, too, requires a firm handshake between L&D and talent, and close alignment with organizational strategy.

A human approach to improving productivity will also be crucial to smooth the introduction of AI and machine learning. Individuals who are encouraged to invest in their own learning are more likely to see new technology as an opportunity rather than a threat. Why? They will collaborate because they can upgrade their skills, develop their cognitive ability, and move into more value-add roles—keeping one step ahead of the robots.

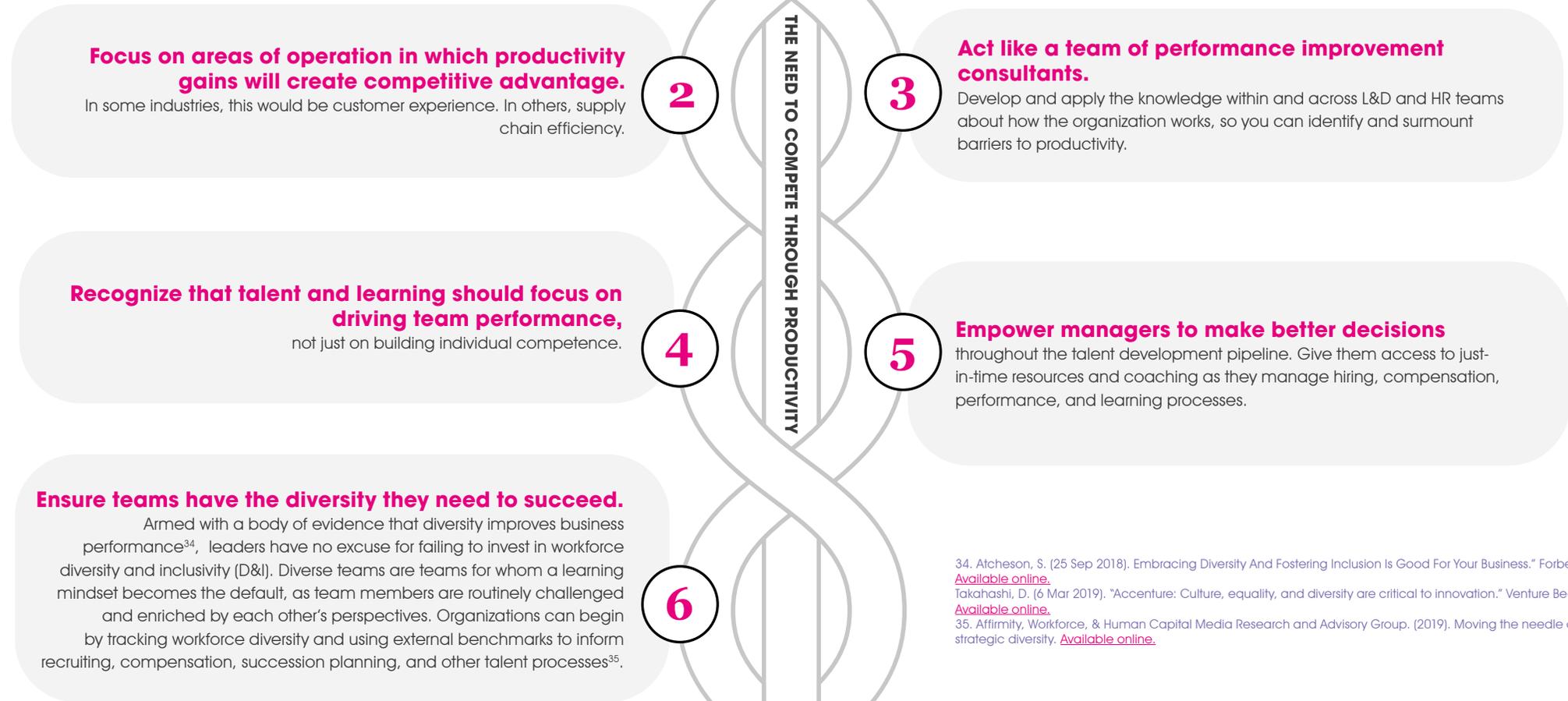
Leaders must clearly define and establish measures for the productivity the organization aims to inspire—whether that's output per hour, time to market, total quality, right-first-time fixes, utilization, or some other measure.

“Reskilling has tremendous potential to drive productivity”

“Leaders must establish measures for the productivity gains”

From there, performance management and total rewards must reinforce those goals. And learning must be engineered to develop the individual and team capabilities to achieve those goals.

With concrete, granular metrics, organizations can track the success of reskilling programs and inform future efforts.



34. Atcheson, S. (25 Sep 2018). Embracing Diversity And Fostering Inclusion Is Good For Your Business." Forbes. [Available online.](#)
Takahashi, D. (6 Mar 2019). "Accenture: Culture, equality, and diversity are critical to innovation." Venture Beat. [Available online.](#)
35. Affirmity, Workforce, & Human Capital Media Research and Advisory Group. (2019). Moving the needle on strategic diversity. [Available online.](#)

5 Changing Relationship to Work

Whether business leaders are prepared or not, we now have five generations in the workforce³⁶—all of whom are rethinking their relationship to their work and their employers³⁷.

Older employees are delaying retirement. Mid-career workers are looking for leadership opportunities in the face of a career ceiling created by those experienced workers and their extended tenure. And the career trajectories of younger employees were interrupted by a global recession that stymied their entry into the workforce.

Everyone still values compensation, rewards, and perks. But they also want meaningful work, which requires a foundational understanding of one's role in the context of the organization's *raison d'être*—customers and/or communities served and goals for the future. And they want autonomy, which means the organization must trust them to make decisions about the work they do³⁸.

“Five generations of employees are now all rethinking their relationship to work”

36. Rampton, J. (17 Oct 2017). “Different Motivations for Different Generations of Workers: Boomers, Gen X, Millennials, and Gen Z.” Forbes. [Available online.](#)

37. Mercer (2019). Global Talent Trends 2019: Connectivity in the Human Age. [Available online.](#)

38. Pfau, B. (7 Apr 2016). “What Do Millennials Really Want at Work? The Same Things the Rest of Us Do.” Harvard Business Review. [Available online.](#)

Strategies for Meeting Employee Expectations Through Reskilling

A human framework for reskilling meets employees ‘where they are’ in relation to work. It both enlists and empowers employees in service of organizational goals.

It delivers on employees’ top expectation—that the organization will support their professional growth—and their human need to feel connected and valued.

Through reskilling, HR and L&D can join forces to:

- align teams and individuals on the company mission and goals,
- define the skills needed today and in the future, and
- identify and train the right people in the right skill sets.

The importance of learning to the employee experience cannot be overstated. In our experience of working with multinational companies, those with old-fashioned learning methods often sought to modernize in response to data from exit interviews. A poor learning experience was costing them talent.

Additional evidence abounds in surveys in which people reported that the lack of opportunities to learn is the top reason they go looking for a new job³⁹⁻⁴⁰.

The new HR science is tracking the degree to which an employee is emotionally ‘engaged’ with their organization. Data from more than 7,000 employees demonstrated clearly that the most empowered were three times more likely to care about the business they worked for. And, in a separate study, there was a very strong correlation between the emphasis a team has on development and high empowerment⁴¹.

The other top factors influencing empowerment were:

- Openness to new ideas
- Supportive and trusted manager
- Recognition and reward
- Positive working environment
- Delegated authority.

“Reskilling empowers employees in service of organizational goals”



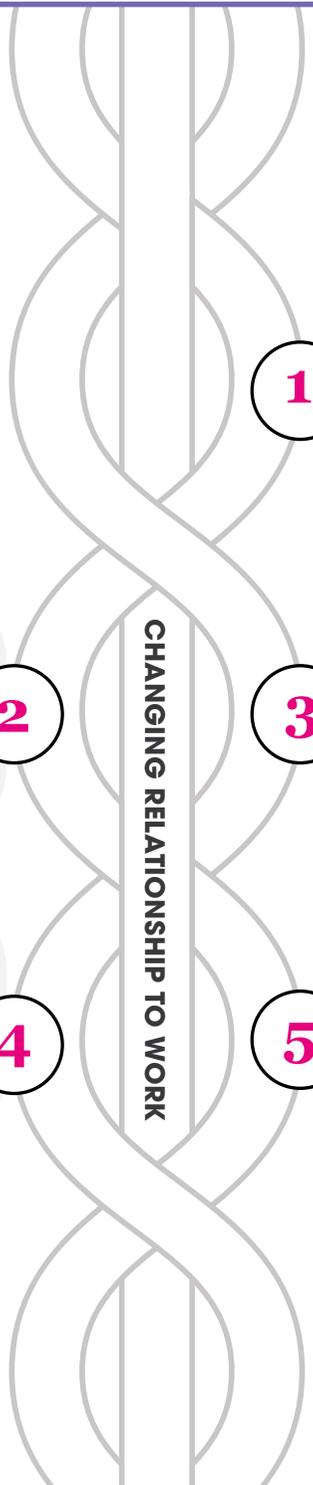
Graph from Deloitte Insights. “From employee experience to human experience: Putting meaning back into work – 2019 Global Human Capital Trends”. By Volini, E., Schwartz, J., Roy, I. et al.

39. Bersin, J. (19 Nov 2018). New Research Shows ‘Heavy Learners’ More Confident, Successful, and Happy at Work. LinkedIn Pulse. [Available here.](#)

40. Burnison, G. (2018). Breaking Boredom: What’s Really Driving Job Seekers in 2018. Korn Ferry Institute. [Available here.](#)

41. Folkman, J. (2 Mar 2017). The 6 Key Secrets To Increasing Empowerment In Your Team. Forbes. [Available online.](#)

There is a word of caution though. Research by UK and Australian behavioral scientists⁴² warns to be careful who you empower because, for staff who carry out routine, structured tasks, it can cause stress and uncertainty.



1 From hiring through retiring, make employees feel welcomed, included, engaged, and valued

for their contribution to the mission (whatever that is). Large organizations rely on technology to mediate the employee experience, and it's crucial that the technology create a more human experience, not a more mechanized one.

While it may sound counterintuitive, achieving a human experience hinges on using data well. Query your data to better understand what learning content will help a person, and match input from individuals about, for example, their career ambitions, with diagnostic data about their aptitude and data about their current and future roles.

2 Fully integrate learning throughout the employee lifecycle and in the flow of work as a key part of creating a great employee experience.

This means putting learning in everyday systems and processes and enabling access without friction in every context.

3 Create high-fidelity learning experiences via a consumer-grade UX and deliver immersive learning where this will help.

To do this, organizations must ensure that traditional learning and talent systems are easy to navigate and intuitive to use. And, where needed, they must accelerate experience through immersive virtual and augmented reality, coupled with the strength of game mechanics.

4 Train managers to be a touchstone for the employee experience, and especially learning.

In a world where there's virtually no time to learn, managers must facilitate the learning experience. This means engaging managers first—helping them learn why and how to guide employee learning.

5 Personalize learning.

The big wins come when learning and talent systems join together with sufficient data from those and other business systems. Personalization boosts engagement through relevance, and it enables organizations to prove that learning is working.

42. Lee, A., Willis, S. & Wei Tian A. (2 Mar 2018). When Empowering Employees Works, and When It Doesn't. Harvard Business Review. [Available online.](#)

Reskilling Outside the Walls

It's easy for leaders to appreciate the impact of the talent and skills shortage on your workforce. You see it every day. But it's critical to understand that your suppliers, partners, distributors—every organization with which you do business—are also struggling to hire, retain, and reskill the people on whom you depend to get products and services to market.

Enterprise businesses are inextricably entwined with their complex, global supply and distribution chains. This dependency amplifies the impact of talent scarcities and skills gaps on your ability to compete.

Their need for training and knowledge impacts your bottom line. So it's in your best interests to help them close those gaps.

Thus your investment in the analysis, technologies, and content services it takes to succeed at reskilling for the future must be made with the extended enterprise in mind.

“Reskilling must happen with the extended enterprise in mind.”

Conclusion

The extent and the particulars of these five seismic forces vary for any given sector and enterprise. There is no one-size-fits-all approach to reskilling.

Rather, business, HR, and L&D leaders must factor in the organization's unique skills needs, regulatory environment, workplace culture, and other factors.

Each company, each leadership team, each HR and L&D department must figure out for itself the talent and learning strategies that will inspire and engage its workforce. Each must find the right learning technologies and talent management systems to power that transformation. And each must define the organizational objectives against which to measure those strategies.

But regardless of industry, the need for reskilling is urgent. We have described five seismic themes here. There are more around the corner. Environmental issues are about to create a sixth in our industry, if for no other reason than it becoming unacceptable for people to travel just for training purposes.

The only way to head off the worst effects of the seismic forces is to re-envision and unite learning and talent with a common goal.

Learning relationships are rich relationships. For this reason, reskilling is a uniquely powerful way to connect employees (and potential employees) to the organization, to their work, and to one another—mentor to mentee, manager to team, peer to peer.

Through these connections, reskilling fosters trust and confidence. It inspires. It empowers. It meets people where they are and carries them—and their organizations—into the future.

But make no mistake. Reskilling doesn't just unite two organizational functions. It transcends them. It's more than a new approach to L&D. It's more than another initiative for HR. It's more than a new buzzword for strategic planning.

Reskilling is an entirely new approach to work itself.

One that's always thinking ahead. One that's mindful and empathetic. One that builds agility into leaders and teams.

Through reskilling, organizations can withstand the disruptive pressures mounting today. And by empowering their people, they can flourish in the face of whatever lies ahead.

“Reskilling helps organizations withstand the disruptive pressures.”

About LTG

Learning Technologies Group is a global leader in workplace learning and talent. Working as a strategic partner, we deliver a unique mix of products and services to help clients close the gap between current and future workforce capability.

We serve enterprise clients in rapidly changing industries, where market differentiation hinges on building a skilled, agile, and energized workforce. That is, we help them put the best people in the right roles, becoming the best they can be.

Our companies connect clients with unparalleled depth in talent management solutions, learning content, and learning technologies—from enterprise platforms to personalized and immersive learning experiences. Our products are best-of-breed, with ever-developing rich data visualization and insights so clients can connect L&D and talent decisions to business outcomes.

Clients trust our experts to listen hard and think creatively, tailoring each solution to their context and culture and putting learning at the heart of talent strategy.

Since 2016, we have earned over 60 industry awards. Highly ranked by Brandon Hall, Fosway, IDC, and Aragon Research, LTG products and services are used by more than 2,700 clients, reaching 25 million employees in over 200 countries.

To find out more contact reskilling@ltgplc.com

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