Performance Frontiers

The Employer Learning Revolution

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There's no doubt that the reskilling imperative is going to change the way we think about employers. As the Global Chairman of PwC has said, "Upskilling is one of the most urgent challenges of our time…" In what is being called the Fourth Industrial Revolution, 1.1 billion jobs are liable to be transformed by technology in the next decade. This isn't just business as usual — this is a radically different technological environment to what we have been used to for a lot of our lives.

While employers have always been important educators —

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particularly through ‘on the job training’ and, secondarily, through formal learning initiatives — we have traditionally thought of the workplace as where we apply learning that has been obtained elsewhere. Whether it’s from vocational training or university study, learning occurs outside ‘work’. However, this paradigm isn’t going to serve either employers or employees in the future.

A Ramping Future

In our contemporary technological context — one of furious change — our way of thinking about work must change as well. Employers need to become formal educators, or they will face the consequences of *brain drain* and *the wage war*. Skills are becoming obsolete within 5 years. While this is particularly dire for employers operating in the tech and sustainability spaces, increasingly these two domains permeate our lives. Australia’s tech sector has grown by 80% in the past five years. The war for talent in these areas is fierce and likely to intensify. The World Economic Forum’s (WEF) analysis shows the vast majority of the fastest-growing jobs fall into these areas.

In order to meet this need for talent and skills, employers have to be willing to take on the role of educators. While this idea (increasing L&D budgets) might strike fear into the heart of CFOs everywhere, the WEF’s cost-benefit analysis of reskilling has found that reskilling ultimately financially benefits companies. Companies as large as Amazon have committed significant sums to reskilling their workers. There’s money to be made — as well as people to be enabled — in this next era of work.

Opening up the Classroom

So, how should we be thinking about this shift into a greater formal education role for organisations?

1. **Be a leader**

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Explicitly leading this change is a real opportunity for employers. There's a lot of lip service out there about organisations wanting to invest in the development of their people. However, when it comes to funding employee training, trying to get approvals and satisfy policies is often deprioritised. Organisations that partner with providers directly offering relevant training in critical areas, such as AI and machine learning, sustainability, data analysis and cyber security, are going to be leading the way. The organisation that has the gold-standard training program will be the gold-standard employer.

2. Balance the interests of the market and people

We want our training programs to engage and empower people in their development. But these learning initiatives also need to be connected to what is going to make people employable and successful in this emerging future. So, take an informed and rigorous look at your industry and the pressure/transformation points. Ask yourself:

- Where will skills be required?
- What value can only humans bring?
- How can you serve your people and a brighter future for the organisation and society more broadly?

Balance these interests in a way that finds win-wins.

3. Preskilling won't cover everything, but it will put you way ahead of the rest

There's a lot of talk about pre-skilling at the moment. Understandably organisations are wary about focusing too much on skills that may not be required and team members who might just be tempted to take those skills elsewhere. However, pre-skilling can be a powerful way of raising institutional knowledge and getting people thinking about critical knowledge areas.

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4. Connect the dots between your training program and performance

Inbuild metrics that allow you to understand the ROI of these training programs. Often, you can look directly at performance on technical capabilities. This will help you continue to iterate on the programs and allow you to make the business case for why they are so important.

And, in the end, don’t take our word for it. Ask your team members! See what they say about the importance of formal training to their engagement and retention. There’s no doubt you will see a resounding response.

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