A Skills-Focused Learning Approach

Steps to Build Successful Skills Development Programs

schoox

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Introduction

L&D's Strategic Role in Organizational Success

Organizations face an increasing challenge of talent shortage. Global employers estimate that 44% of workers' skills will be disrupted in the next five years.[1] At the same time, budgets are tight, so organizations must get creative to keep their in-demand talent and find the competitive talent they need.

Because of talent scarcity and high hiring and onboarding costs, the most successful organizations focus on their existing talent and invest in skills development to increase employee engagement, retention and workforce performance. In the UK labor market, 81% of employers feel that developing skills through workplace training and development opportunities is a more sustainable long-term strategy than hiring new workers. [2]

73% of organizations expect to continue to experience skills shortages over the next three years, and **70% of those say they are getting creative about sourcing** for skills rather than just considering job experience.[3]

1 Future of Jobs Report, World Economic Forum
2 Henley Business School 2023
3 Source: Deloitte, 2022

Skills Development and Internal Mobility Drives Growth

Positive employee experiences[4] are linked to better performance, extra effort at work, and employee retention. Providing employees with skills development tools and internal mobility opportunities increases employee engagement and drives business growth. McKinsey[5] estimates that investing in upskilling and constant learning increases worker productivity by 6–12%. Based on LinkedIn, "Providing learning opportunities" is the no. 1 way organizations are working to improve retention.[6]

Skills development is also among employees' top priorities when considering a new job. Skill-building should be a key focus of your learning and development strategy to ensure the success of your organization.

The top five factors when considering a new job are:

1. Compensation and benefits
2. Flexibility to work when and where I want
3. Challenging and impactful work
4. Opportunities for career growth within the company
5. Opportunities to learn and develop new skills

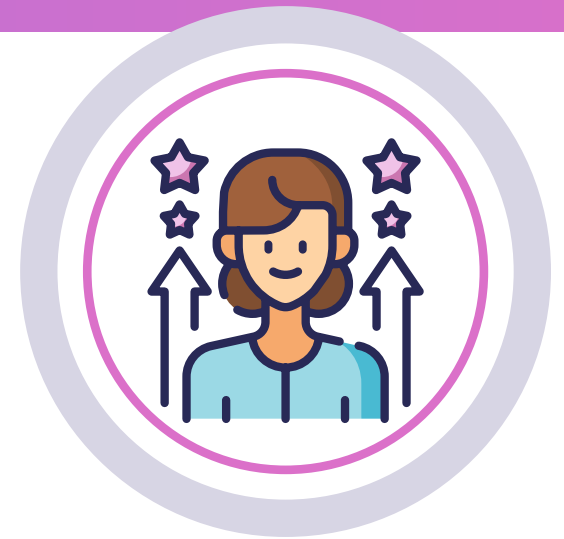Especially the youngest workers (ages 18 to 34) are most likely to value career growth, learning, and skill building.[7]

77% of executives agree their organization should help workers become more employable with relevant skills. Still, **only 5% strongly agree they are investing enough** in helping people learn new skills.[8]

4 IBM
5 McKinsey
6 LinkedIn Learning Workplace Learning Report 2023
7 LinkedIn Learning Workplace Learning Report 2023
8 Deloitte, 2022

Steps to Build Successful Skills Development Programs

Step 1:
Assess Skills

A successful skills development plan that drives business performance starts with a skills assessment. Skills assessment is a process to understand existing workforce competencies and the workforce's ability to perform at a desired level.

Skills assessment helps your organization identify areas where employees need training, plan internal mobility, and refine hiring processes. Tracking skills over time allows you to prepare for future workforce needs and ensure your employees always have the right competencies to perform their jobs.

78% of organizations say that skills shortages have reduced output, profitability, or growth. **72% say that skills shortages have increased the workload** on other staff.[9]

9 Henley Business School 2023

Tips for Skills Assessment

1. Determine which skills you want to assess

2. Screen job-specific skills

3. Decide on the best testing methods

4. Assess technical and soft skills

5. Provide employees with personalized tests

Skills-based organizations are **107% more likely to place talent effectively** and **98% more likely to retain high performers**.[10]

10 Deloitte, 2022

Step 2:
Identify and Analyze Skill Gaps

According to CBI,[11] businesses have identified skills gaps and shortages as the number-one threat to the competitiveness of the UK labor market. Skill sets for jobs have changed by around 25% since 2015 and by 2027, this number is expected to double.[12]

Skill gaps are the differences between the desired skills and the workforce's skills. You can identify skill gaps based on the skills assessment and the skills your organization needs. Skills gap analysis enables long-term workforce planning.

Knowing the strengths and weaknesses of your workforce allows you to plan skills development to ensure you stay ahead of the competition.
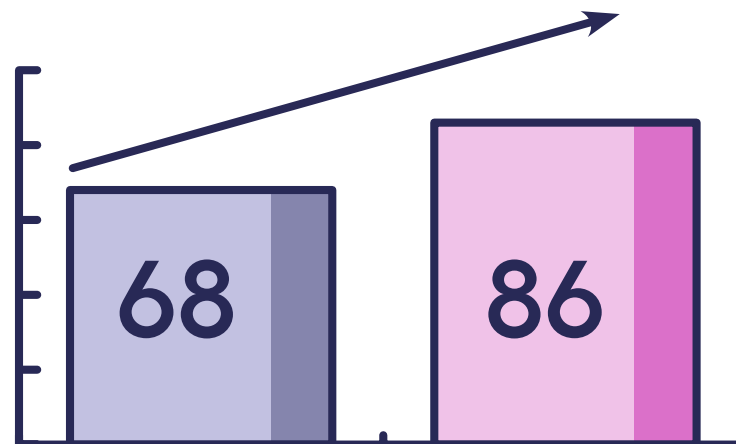
68% of SMEs face skills shortages, rising to **86% for large organizations**.[13]

11 CBI
12 LinkedIn Learning Workplace Learning Report 2023
13 Henley Business School 2023

Tips for Skills Gap Analysis

1. Determine desired skills based on business goals

2. Consider short/long-term skill requirements

3. Plan training for skill gaps

4. Plan internal mobility to close the gaps

5. Plan to hire for skill gaps

Although many organizations are concerned about skills shortages, **39% do not provide any training for their staff.** [14]

14 Employer Skills Survey 2019, Department for Education

Step 3:
Design and Implement Skill-Building Programs

Upskilling develops new competencies to progress in the current job role. Reskilling is required when moving to another position in the same organization. In addition to developing new skills, the skill-building plan should also provide opportunities for internal mobility.

By designing training programs to close skill gaps, your organization can keep up with the evolving business requirements. However, only 18% of senior learning professionals believe they are very effective at upskilling and reskilling.[15]

McKinsey[16] found that while digital learning is the most suitable format for skill-building, a multi-channel approach, including other formats, supports success.

When it comes to developing skills, L&D teams in European enterprise organizations rate these interventions as having the biggest impact on skills gaps[17]:

- **Formal Training (31%)**
- **Coaching (31%)**
- **Learning Culture (30%)**
- **On-the-Job Assignments (27%)**
- **Buddy or Mentor (27%)**

47% rated upskilling employees at the speed of business as the greatest challenge for their organization's L&D function.[18]

15 Fosway Digital Learning Realities 2022
16 McKinsey
17 Fosway Digital Learning Realities 2022
18 Brandon Hall Group, Learning Benchmark 2023

Tips to Design Skill-Building Programs

1. Plan both upskilling and reskilling programs

2. Provide opportunities for internal career moves

3. Set clear goals for training programs

4. Use a mix of training methods, such as informal and formal learning

5. Focus on coaching and mentoring

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Step 4:
Focus on Soft Skills

Each job role requires hard, technical, and soft skills that enable effective work interaction. Soft skills are critical to creating a positive and productive working environment. Soft skills are also transferable, which makes them essential for career development.

Harvard Business Review[19] highlights the importance of soft skills as a foundation for outstanding leadership. Also, according to LinkedIn, human skills remain critically important, especially with the ongoing prevalence of hybrid work. Soft skills set high performers apart from their peers. The human skills companies need most are management, communication, leadership, and teamwork.[20]

Invest in soft skills training to give employees the confidence and tools they need to excel in their roles or make desired career moves. These skills are critical for success in nearly every profession.

85% of career success comes from having well-developed soft skills and people skills.[21]

19 Harvard Business Review
20 LinkedIn Learning Workplace Learning Report 2023
21 Harvard University, the Carnegie Foundation, and Stanford Research Center

Tips to Improve Soft Skills

1. Determine which soft skills are most critical for your organization

2. Define role-specific soft skills

3. Be mindful of unconscious bias and plan to avoid it

4. Ask managers for their input about their team members' soft skills

5. Provide employees with the opportunity to practice soft skills

Soft skills are also transferable, which makes them essential for career development.

Step 5:
Ensure You Have the Right Tools

Today's working environments are complex and dispersed. Organizations need to build their learning strategies to support flexible working methods. In addition, they must ensure they have the best learning technology and tools to support their development goals and evolving business needs. Organizations designing software ecosystems ensure seamless integrations and data flow between the different platforms. However, only 45% of enterprise organizations believe their learning platforms are fit for the modern workforce.[22]

By working with modern learning technology vendors to support your learning strategy, your organization can stay ahead of the competition.
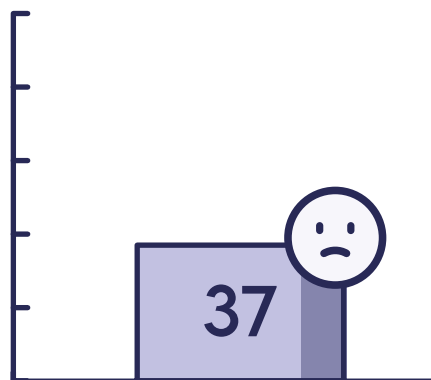
37% think their organization's learning technology ecosystem is inadequate to support future skills development needs.[23]

37

22 Fosway Digital Learning Realities 2022
23 Brandon Hall Group, Transforming Learning & Development for the Future of Work, 2022

Tips to Ensure You Have the Right Tools

1. Use a flexible learning management system (LMS) to manage all online learning

2. Use easy content curation tools to offer a wide variety of content

3. Choose a modern learning platform to provide engaging learning experiences

4. Make sure your platforms are integrated for smooth data transfer

5. Choose robust learning analytics and reporting tools

The technology is available: **only 18% of business and HR executives list the lack of effective skills-related technology among the top three barriers** to transforming into a skills-based organization.[24]

24 Deloitte, 2022
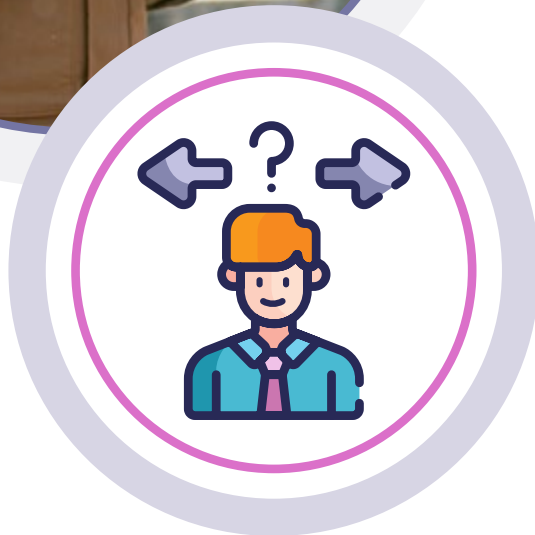
Step 6:
Apply Skills on the Job

In addition to high skills shortages, there is evidence that employers are not making full use of the skills they already have. Only 14% of business executives strongly agree that their organization is using the workforce's skills and capabilities to their fullest potential.[25]

According to Organization for Economic Co-operation and Development (OECD) and the International Labor Organization (ILO), employees who better use their skills[26] are more likely to experience greater job satisfaction and are less likely to leave their jobs. They are also more prepared to adapt to changes in the evolving working environment.

While it is critical to invest in skills development, it is as important to ensure the new and existing skills are applied to work. As Josh Bersin[27] said: "There's no point going to training if you don't build the right skills; there's no point building a skill if you can't apply it on the job; and there's no point creating a capability unless it can help you grow, expand, and do new things."

42% of employers have reported having overqualified staff, while **34% have reported having staff whose skills are underutilized**.[28]

25 Deloitte, 2022
26 ilo.org
27 joshbersin.com
28 Henley Business School 2023

Tips to Apply Skills on the Job

1. Create opportunities for coaching, mentoring, and peer-learning

2. Focus on building a learning culture

3. Use microlearning to reinforce the skills

4. Offer internal mobility opportunities

5. Refresh learning over time

77% of business and HR executives say flexibly moving skills to work is critical to navigating future disruptions.[29]

29 Deloitte, 2022

Step 7:
Track Performance

According to LinkedIn,[30] aligning learning programs to business goals is the most important focus area for L&D, followed by upskilling employees and creating a culture of learning. Even if the importance is recognized, only 80% of L&D teams in European enterprise organizations are only just starting to assess the learning impact.[31]

In addition to tracking traditional training metrics, such as course completion rates, forward-looking organizations measure performance improvement and calculate the ROI of their learning investments to achieve results. Measuring the business impact of training helps organizations determine which learning programs are aligned with the business goals and change those that aren't.

To measure the success of your training, plan an evaluation strategy and analyze how training improves business metrics such as productivity and customer service, but also HR metrics such as employee engagement and retention.
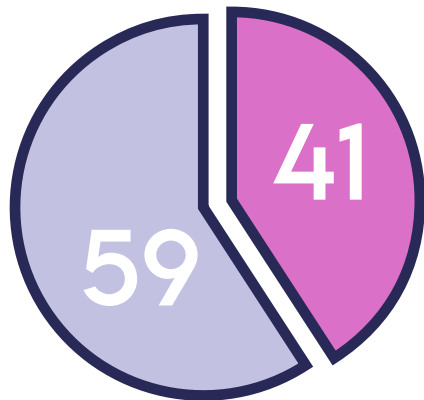
41% of respondents cited measuring the reskilling programs' business impact is a common challenge.[32]

59 41

30 LinkedIn
31 Fosway Digital Learning Realities 2022
32 McKinsey

Tips to Track Performance

1. Map learning to business goals

2. Communicate the goals and results to all employees

3. Decide which evaluation methods and metrics to use

4. Measure long-term performance improvement

5. Use reporting and analytics tools for regular reporting

38% said their organization's business objectives are tied directly to talent development objectives, i.e., specific competencies and skills development. [33]

33 Brandon Hall Group, Learning Drives Performance, 2021

About Schoox

Schoox is workplace learning software with a people-first twist. People aren't cogs, and Schoox was designed for how humans actually learn. We keep learners curious by letting you deliver more kinds of content wherever they are, from the front line to the corporate office. And by making learning easy, accessible, rewarding, and fun, we help you get everyone more excited about their career development. Learners can "up" their skills, grow on the job, and get more done—and you can measure the impact of their awesome accomplishments.

ⓧ **Why choose Schoox?**