Getting Employees
Ready for the New
Skill Needs of
2021 AND BEYOND





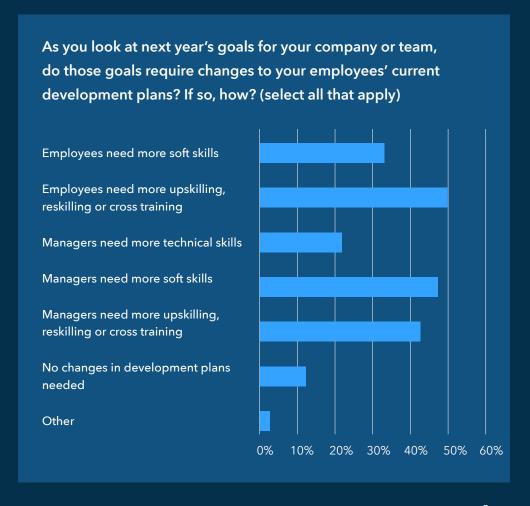
he year 2021 looks significantly different from what was anticipated a year ago. Most of the short-term development plans that were carefully crafted are no longer relevant. In fact, almost nine out of ten managers recently surveyed said they believed employee development plans needed to change to reflect the skills gaps that organizations now face.

It's not just that organizations need different skills from those required in the past; the speed in which organizations need them is more urgent than ever before. Employees need upskilling, cross-skilling and reskilling to support business growth and transition. But organization leaders struggle to determine what skills their employees lack.

SAS SURVEY:

Employers challenged to identify and meet the employee skills gap

With all the workforce changes last year, it is not surprising that employees lack the skills to meet new demands. HR Dive's studio ID and SAS conducted a survey in October 2020 and nearly 400 HR leaders found that 88% of managers said they believed their employee development plans needed to change in 2021.

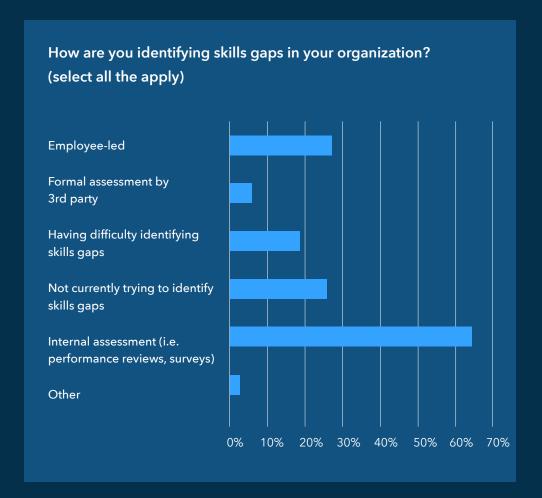




In the fast-changing work world, managers surveyed recognized the need for continued learning. Fifty percent of managers said employees needed more upskilling, reskilling and cross-skilling, and 41% said they themselves needed those same opportunities.

When considering the types of skills employees should focus on increasing, managers surveyed said that employees needed more technical skills and soft skills (32% each) and that managers could use more technical skills (20%).

Even though managers recognize that employees need new skills, more than a third of managers either struggle to identify what specific skills are required, or are not trying to determine those skills at all. This challenge exists even though surveyed managers said they have internal assessments, such as performance reviews and surveys, to find those skills gaps.





Workplace L&D Trends

FOR 2021

The HR Dive's studio ID and SAS survey on skills gaps provides a useful perspective when thinking about workplace learning trends for this year. Skills gaps have existed for years, and companies have tried to address them. But the pandemic highlighted the urgency of addressing this deficiency. The focus on filling skills gaps will play a significant role in influencing learning and development (L&D) trends moving forward.



Top L&D Trends FOR 2021

TREND #1:

Companies are expected to take on greater responsibility for employees and in society.

Today, employees look to their employers to support their education, mental health and well-being, said Dan Schawbel, managing partner, Workplace Intelligence. From the flexibility of remote working to providing safety and security and taking a stand on political and social issues, employees expect companies to support them while making a positive impact on their community, he added.



TREND #2

Companies need to match their technological investment with investing in the L&D of their people.

When companies invest in digital transformation, they may overlook the investment that's needed in their workforce, said Wlad Perdomo, director of commercial services, SAS Software Education & Training. "Employees end up spending a lot of time doing manual processes and reports to make up for the gaps in their technology investments," he said.

TREND #3

Learning and development are much more universal.

In years past, hourly positions may not have received the same development opportunities as salaried ones, but now employers are looking to offer them the same or similar benefits, including flexibility and education, in order to be competitive, Schawbel explained.

TREND #4

The company's commitment to L&D is increasingly a recruiting and retention tool.

While organizations recover from the pandemic, compensation will be flat, Schawbel said. "Companies are going to have to do something to engage and support workers and transition them from certain jobs that are becoming less in demand to jobs that are becoming more valuable," he said.

TREND #5

Specific hard skills are in demand.

With unemployment declining and five million jobs being created in the next five years, employees need skills in artificial intelligence, UI design and cloud computing, Schawbel said. "These are the areas that are going to push society forward."



Strategies to Prepare Your Workforce for Each Step in the Journey

To be ready for the challenges that lie ahead, companies need sound methods to assess and equip employees with the skills they need to do their jobs and succeed.





IDENTIFY THE NEEDS

The first step is understanding the business goals and direction. "Get a thorough understanding of what the now and tomorrow look like," Perdomo said. Then look at the current talent to identify strengths, assess skills and determine gaps. "That helps you understand how the talent is going to rally around this new mission."

Next, identify the skills and skills gaps of current employees, he suggested. This can involve a Learning-Needs Assessment and can even be an employee survey to find out their perspective, Perdomo advised. He added that companies struggling to identify needs might seek help from an external consultant who can offer an objective perspective.

Sometimes, the need for specific skills is obvious. If a company introduces new technology, managers know that employees have to learn it. Sometimes, however,

the signs of a skills gap can be subtle. If a company has difficulty filling certain positions or can't get the right people in the right roles, a skills gap can exist, Schawbel said. "A lot of HR leaders and recruiters haven't updated job descriptions in forever. You almost have to change them every year to identify gaps and do a cost analysis and exploration of what steps are necessary to fill the need."

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EXPLORE OPTIONS FOR FILLING THE GAP

Making sure the most capable people are in the right positions requires several approaches: recruiting for the right talent and training current employees, Perdomo said.

The traditional job posting may not be the most effective way to find the best people for the job, he said. "Employers list desired skills, and the candidate does their best to meet those required skills, but it's a one-sided approach to employment," Perdomo said. SAS uses the <u>Handshake</u> recruiting platform to develop robust interaction between college candidates and employers. "When we partner with universities, it provides a level of transparency that benefits both the potential employer and employee," he said.

RETHINK RECRUITING TACTICS

Finding new ways to recruit is critical. One of the biggest mistakes employers make is overlooking candidates who did not major in the field of work, Perdomo said. "We have several very technically talented statisticians on our staff who specialized in nontechnical fields or psychology, for example, and they're some of the best people we have on our team."

Employers should consider looking for factors such as competence, curiosity and diversity and then train employees for the technical skills they need, he advised. This is particularly important when hiring for hard-to-fill positions.

Once employees are hired, the process isn't over. Onboarding programs are vital to ensuring that employees feel capable and embedded in the organization. According to the Society of Human Resources Management, 69% of employees are more likely to stay with a company for three years if they have a good onboarding experience. This onboarding process should include a structured program to evaluate, coach, and mentor new hires.

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Society of Human Resources Management



PLAN HOW TO RESKILL/UPSKILL CURRENT EMPLOYEES

As the business environment continues to evolve, employees will need new skills. That requirement may be the result of changes from the pandemic or due to planned business improvements.

For example, Ulta Beauty has been moving to the Google cloud platform, replacing several legacy systems as part of a long-term plan, explained Michelle Hicks, IT manager of marketing, Ulta Beauty. "My team needs to improve their knowledge, skills and abilities to be able to administer and support the new platform and system across our CRM and analytics," she said. To do that, the company is using a SAS e-learning program that allows employees to take the classes on demand, as needed.



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Michelle Hicks, IT manager of marketing, Ulta Beauty





Many front-line retail employees' jobs changed because of COVID-19, with sales associates in physical stores retrained to work in contact centers. But the pandemic affected office employees as well. With stores closed or fewer customers coming to shop, some retailers, such as Ulta Beauty, shifted their marketing focus from direct mail to email marketing, said Kelly Holmes, manager, CRM technology, Ulta Beauty. "We've had to cross-train our marketing employees. We're making sure that our direct mail person is also picking up different skills because we're not marketing the same way we were."

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DEVELOP A CULTURE OF LEARNING

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Managers can no longer afford to think of training as a once-a-year activity. Instead, it must be considered an ongoing event and a critical aspect of employee development. Although employees need both soft and hard skills, the emphasis of many upskilling/cross-skilling efforts is on hard skills. "Most soft skills have remained the same, while hard skills are the ones changing," Schawbel said.

Fortunately, employees want to learn and develop. Employees who feel they are progressing in their careers are 20% more likely to stay after one year.² In addition, the survey found that 49% of managers were motivated by learning for their own benefit. Organizations that expect employees to develop knowledge and skills create a culture of learning. This is useful, not only for the job at hand but also as the position develops new responsibilities.



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Sam Coyne, director of artificial intelligence, Georgia Pacific



Companies like Georgia Pacific find that a culture of learning is necessary, especially when the answers teams are working to solve may not currently exist.

"Our data science team's work is constantly evolving," said Sam Coyne, director of artificial intelligence for Georgia Pacific. "There will be problems whose solutions you can't Google. There will always be the need for team members to challenge themselves to learn, to continuously improve." Team members must also learn from one another to ensure their knowledge base is consistent and sustainable. If an employee goes to training, they're not just trying to absorb knowledge, they're expected to share that knowledge with colleagues. "Make the next day better for the organization."

For this type of learning environment to thrive, the organization must have the mindset that training is part of how you operate, Coyne said. "Organizations need to think that training will have a payoff, maybe faster time to deployment or a new method of learning that gets you greater accuracy. It's not something you check off at the end of the day. It's daily work."



TAILOR LEARNING TO INDIVIDUAL NEEDS

People learn differently. The survey found that managers prefer to absorb information through e-learning, online instruction and in-person instruction. That may not be the same throughout the workforce, and the current remote work environment heavily influences the training delivery options.

"Before COVID hit, we mapped out a very extensive training plan that included in-person classes," Hicks said. "We had to shift and pivot to something that looks completely different. It was all online and had to be accessible," she said.

Besides accessibility, training programs need to be tailored to match the different requirements and demographics throughout the workforce. For example, deskless employees will need additional options to access information than employees who sit behind

a desk with a laptop. While some employees want to learn for personal growth, others may need just-in-time instructions to help them do today's project.

Companies will need to adjust their training to best meet the reality of their employees' world of work.

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URGENTLY FILL SKILLS GAPS TO REDUCE RISK

The speed of work means organizations must move fast to address skills gaps, Schawbel said. "Those who don't will end up being less innovative and slower. The gaps will widen, and it will be difficult for companies to compete," he added.

Not having the right people in mind puts your company at risk. It's a domino effect, Holmes said. "If you don't have the right people, you're risking your outreach to customers. Your marketing campaigns are going to the wrong people. It's a domino effect that goes throughout the organization."



Companies that don't act quickly end up being on the losing end of the competition for employees and in competition with other companies, Perdomo said. "Those companies that invest in upskilling now, and keep their existing workforce modern and relevant, will have the supply of talent to keep up with demand." Some organizations may decide to wait until the dust settles, and others may hesitate to train employees because those new skills make them more marketable if they leave, he acknowledged. "But what if you don't train them and they stay and are dead weight? It makes more sense to provide them with skills and see how they contribute to the company."

Although providing training may increase the risk that employees leave, Holmes said, she prefers to view the development as a retaining tool. "I think it gives them a new challenge and new opportunity that can help them in the long run in their position within our group."

In 2020, most organizations had to completely rewrite their training plans by March. Hopefully, this year will be different. But the lessons from last year — as well as the lessons from previous years — highlight the necessity of ensuring that companies have the agility to reskill, upskill or cross-skill for whatever 2021 brings. As companies anticipate this year's needs, they must assess their talent and strategize to ensure that the workforce has the skills needed to last throughout the employee life cycle.

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Sas

ABOUT SAS

SAS is the leader in analytics. Through innovative software and services, SAS empowers and inspires customers around the world to transform data into intelligence. SAS gives you THE POWER TO KNOW®.

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2. Li, Lori. "17 Surprising Statistics about Employee Retention." TINYpulse, 2020, <u>www.tinypulse.com/blog/17-surprising-statistics-about-employee-retention</u>.



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